1977-78 FINAL BUDGET

FISCAL YEAR

Santa Clara Valley Water District

HD 1695 S383 B82 1979/78 c.2

SUBMITTED BY: John T. O'Halloran
General Manager

BOARD OF DIRECTORS

Courtland M. Rush, Chairman

Joe Chiri
Maurice E. Dullea
Patrick T. Ferraro
James J. Lenihan
Linda Peralta
Robert T. Sapp

SANTA CLARA VALLEY WATER DISTRICT
1977-78

CONTENTS

	Page
GENERAL INFORMATION	1
BUDGET PROCESS	1
MAJOR PROJECTS PROPOSED FOR 1977-78	2
POTENTIAL CONSTRUCTION	4
DISTRICT SALARIES AND STAFF	5
COMPARATIVE BUDGET - REVENUE	7
COMPARATIVE BUDGET - OUTLAY	8
REVENUE SUMMARY	9
OUTLAY SUMMARY	10
SUMMARY OF ESTIMATED CASH	11
DISTRICT TAX RATES	12
STATUS OF BONDED INDEBTEDNESS	13
FLOOD CONTROL ZONES	
Northwest Zone	14
North Central Zone	20
Central Zone	26
East Zone	32
South Zone	38

CONTENTS (Cont)

	Page
WATER UTILITY	43
Source of Supply	49
Raw Water Transmission and Distribution	54
Water Treatment	58
Treated Water Transmission and Distribution	61
Administration and General	65
DISTRICT COST CENTER	69
Governmental Program Projects	70
Fixed Assets	73
Administration Program Projects	78
Services and Supplies	80
SERVICE FUND	
Equipment Working Capital Fund	87

GENERAL INFORMATION

To finance its activities, the District has been divided into zones of benefit. Five of these zones support flood control activities. The boundary of each zone is described at the beginning of its Budget Summary. The remaining zones have been established for the conservation, distribution and treatment of local and imported water.

Ad valorem taxes are levied in each of the Flood Control Zones based upon estimated expenditures each budget year. The expenditures within each zone for all programs are presented on the program summary sheets within each zone budget.

Budgeting for the Water Utility is accomplished on an enterprise fund basis. Water supply activities are partially financed by a Countywide ad valorem tax to pay for the cost of import facilities and for the recreational benefits derived from the District's reservoirs. The major source of water supply income is a charge levied on all groundwater extracted within Zone W-2 of the District and from the sale of treated water. Other sources of revenue result from the levy of an ad valorem tax in Zones W-3 and W-4 and from the sale of surface-delivered untreated water.

The District levies a small Countywide administration tax on secured and unsecured property to purchase fixed assets such as office equipment and to fund general governmental costs required in the overall operation of the District.

BUDGETING PROCESS

The budget is prepared as a cooperative effort of all organizational units and reviewed by a Budget Committee. Responsibility is established for every project in each program. Each work effort is defined by Project Coordinators and each participating organizational unit budgets the items necessary for its successful completion.

Each activity of the District can be related to one of several financial accounting units known as "cost centers". Within each cost center subgroupings of related activities are determined and called programs; an analysis of the major programs would show the following allocation of activities:

ADMINISTRATION includes all labor and contractual services required in the administration of a cost center.

PLANNING — includes all labor and contractual services on projects up to the final design activity which is included in the Construction Program. Planning includes all planned studies, the preparation of hearing plans, and certain special studies.

CONSTRUCTION — includes all labor, use or purchase of equipment and contractual services which result in the completion of a project, a substantial improvement to the life or value of a physical project or the acquisition of a new physical asset.

MAINTENANCE — includes all work performed on District projects, facilities or equipment which result in maintaining constructed works or equipment in operating condition.

OPERATIONS — includes all work performed in the release, diversion, treatment or transportation of water in or through channels or pipelines.

MAJOR PROJECTS PROPOSED FOR 1977-78

This section will highlight the major projects proposed for 1977-78. It should be noted, however, that all projects in the Planning and Construction Programs are explained within each cost center. Included at the end of each section is a listing of each project showing the amount budgeted for each program.

ADMINISTRATION — Work within this program provides a focal point to capture administrative support including District labor and contractual services which benefit the entire cost center and are not allocable to any individual project. Included are costs for Ordinance Administration, Insurance and a general administrative project. The total cost of all Administration Programs in the zones and Water Utility are budgeted at a decrease of 3.7 percent compared with the 1976-77 fiscal year.

PLANNING — Work within this program provides coordinated studies and planning activities to support the needs of the cost center. Major planning studies for the 1977-78 fiscal year are:

Cost Center	Project Title	Cost
Northwest	Adobe Creek	$ 31,703
Northwest	Barron Creek	46,574
Northwest	Matadero Creek	49,886
Northwest	Permanente Creek	41,009
Northwest	Stevens Creek	54,387
North Central	Calabazas Creek	59,340
North Central	San Tomas Aquino Creek	42,978
North Central	Saratoga Creek	26,440
North Central	Wildcat Creek	29,986
Central	Guadalupe River & Adj. Streams-C of E Study	66,317
Central	Multipurpose Optimization-Los Gatos Creek	41,657
Central	Guadalupe River	35,232
Central	Los Gatos Creek	81,024
East	Guadalupe River & Adj. Streams-C of E Study	66,325
East	Berryessa Creek	25,365
East	Penitencia Creek - Upper	25,644
East	Thompson Creek	26,920
Source of Supply	Saltwater Intrusion Study	54,384
Source of Supply	Reservoir Landslide Investigation	36,941
Admin. & General	Master Plan Automation Study	49,562
Admin. & General	Financial and Cash Flow Study	108,263
Admin. & General	Annual Water Supply Balance	26,109
Admin. & General	Water Reclamation Studies	235,472
Admin. & General	Groundwater Model	41,018
Admin. & General	Water Resources Master Planning	255,463
Admin. & General	Water Quality Studies	31,431

CONSTRUCTION

The capital improvements budgets include the following major improvements to be initiated or completed in 1977-78. Details may be reviewed within the individual cost center texts.

Cost Center	Project Title	Cost
Northwest	Adobe Creek	695,583
Northwest	Barron Creek	719,630
Northwest	Matadero Creek	1,019,523
Northwest	Stevens Creek	283,356
Northwest	Palo Alto Flood Basin	628,934
North Central	Calabazas Creek	2,776,235
North Central	San Tomas Aquino Creek	2,041,095

Cost Center	Project Title	Cost
North Central	Saratoga Creek	941,232
North Central	Sunnyvale East Outfall	214,008
Central	Alamitos Creek	2,271,467
Central	Calero Creek	107,596
Central	Guadalupe River	1,731,866
Central	Los Gatos Creek	1,145,432
Central	Guadalupe Creek	303,366
East	Silver Creek - Lower	1,670,876
East	Thompson Creek	1,030,775
South	Upper Llagas Creek Watershed Project	111,538
South	Lower Llagas Creek Watershed Project	221,851
South	Public Law 566 (Lower)	283,616
Source of Supply	S.C.V.W.D. Reclamation Facility	1,136,525
Source of Supply	Anderson Dam & Reservoir	269,515
Source of Supply	Coyote Dam & Reservoir	434,902
Raw Water T & D	Vasona Pump Station	781,307
Water Treatment	Rinconada Water Treatment Plant	194,902
Treated Water T & D	West Reservoir	496,263
Treated Water T & D	East Pipeline	1,244,399
Treated Water T & D	East Reservoir	3,270,589
Admin. & General	Groundwater Monitoring	132,768

MAINTENANCE & OPERATIONS

Projects within these programs capture costs associated with the operations of all facilities for the water supply and for the maintenance of all constructed facilities and the equipment in the Flood Control Zones and Water Utility to maintain them in the original or improved condition. The total Operations Program in all cost centers has increased by 3 percent compared to fiscal year 1976-77. The total Maintenance Program has decreased by 5 percent compared to the preceding year.

POTENTIAL CONSTRUCTION

In some of the Flood Control Zones and in the Water Utility, potential construction funding is provided. These appropriations contain funds which may be expended if work progresses faster than anticipated. A detailed description of potential construction funding is included in each applicable cost center.

DISTRICT SALARIES AND STAFF

The following presents a comparison of actual salaries for fiscal years 1974-75 and 1975-76, those approved in fiscal year 1976-77, and those requested for fiscal year 1977-78.

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Permanent Position Salaries	$4,099,584	4,827,835	5,310,650	5,978,576	5,978,576
Temporary Employee Salaries	119,854	174,216	208,491	171,481	171,481
Overtime Salaries	148,151	142,551	204,184	197,182	197,182
Total	$4,367,589	5,144,602	5,723,325	6,347,239	6,347,239
	281	286	291	316*	316*

The following presents a comparison of the District staff for the current year and that requested for the new fiscal year. There is a net increase of 4 new positions requested for fiscal year 1977-78.

	1976-77	Changes During 1976-77	1977-78 New Requests	1977-78 Proposed Staff
General Manager	9	(a) +6		15
General Counsel	1			1
Clerk of the Board	11		(f) +1	12
Administration and Finance	46			46
Data and Control Systems	16	(b) +1		17
Chief Engineer	2			2
Advanced Planning	18	(c) +3	(g) +3	24
Design and Construction	80	(d) +2		82
Operations and Maintenance	108	(e) +9		117
	291	+21	+4	316*

*Contains 18 new CETA positions and 3 existing CETA positions which have been budgeted for 10 months only.

(a) 6 Engineering Aide II (CETA) were added*

(b) 1 Senior Programer Analyst was deleted
1 Key Punch Operator was added
1 Computer Control Clerk was added

(c) 1 Civil Engineer was transferred to Advanced Planning from Operations and Maintenance
1 Senior Civil Engineer was added
1 Associate Civil Engineer was added

(d) 1 Engineering Aide II was deleted
3 Engineering Aide II (CETA) were added*

(e) 1 Associate Civil Engineer was added
1 Laboratory Technician was added
1 Water Resources Technician I was approved in the 1976-77 Budget, but had not been authorized or filled by Board resolution
1 Civil Engineer was transferred from Operations and Maintenance to Advanced Planning
1 Water Resources Technician I was deleted
1 Maintenance Worker II was deleted
1 Water Treatment Plant Operator I was deleted
11 Maintenance Worker II (CETA) were added*
1 Water Treatment Plant Operator I (CETA) was added*

(f) 1 Office Assistant is requested by the Files and Records Division

(g) 1 Associate Sanitary Engineer is requested by Advanced Planning
1 Assistant Sanitary Engineer is requested by Advanced Planning
1 Engineering Technician I is requested by Advanced Planning

*Not permanent employees - budgeted for ten months only.

SANTA CLARA VALLEY WATER DISTRICT

COMPARATIVE BUDGET

OUTLAY

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
District Labor	$ 5,400,407	6,431,057	8,077,759	8,444,839	8,444,839
Contract Services	9,026,107	10,896,041	20,354,873	27,092,916	27,092,916
Materials and Supplies	654,781	887,819	1,004,575	1,087,700	1,087,700
Land and Structures	1,600,586	1,663,487	2,525,500	5,832,177	5,832,177
Equipment Additions	195,420	348,499	565,866	240,318	240,318
Subtotal	16,877,301	20,226,903	32,528,573	42,697,950	42,697,950
District Loan				400,000	400,000
Debt Service	3,858,542	3,528,339	3,525,367	3,508,075	3,508,075
Inter-Fund Adjustment	3,535,103	4,155,362	1,036,490	590,167	590,167
Total Expenditures	24,270,946	27,910,604	37,090,430	47,196,192	47,196,192
Potential Construction	2,837,649	2,589,296	3,295,000	1,870,000	1,870,000
Replacement Reserve	1,140,676	2,085,221	1,874,309	2,208,323	2,208,323
Contingency Reserve	2,515,161	2,791,060	2,307,512	3,448,000	3,448,000
Total Appropriations	30,764,432	35,376,181	44,567,251	54,722,515	54,722,515
General Reserve	27,777,641	27,442,435	11,578,875	11,799,109	11,411,401
Total Budget	$58,542,073	62,818,616	56,146,126	66,521,624	66,133,916

SANTA CLARA VALLEY WATER DISTRICT

DETAIL OF FINAL BUDGET 1977-78

OUTLAY SUMMARY

	FLOOD CONTROL ZONES					WATER		EQUIP.WORK	
	NORTHWEST	NO.CENTRAL	CENTRAL	EAST	SOUTH	UTILITY	DISTRICT	CAP.FUND	TOTAL
District Labor	$ 704,746	892,691	784,471	548,087	258,273	4,168,978	901,871	185,722	8,444,839
Contract Services	2,903,136	5,044,103	3,997,053	2,335,933	355,596	12,230,561	175,534	51,000	27,092,916
Materials & Supplies	18,500	18,000	12,100	10,000	3,000	916,900	14,200	95,000	1,087,700
Land & Structures	599,550	989,425	1,656,050	653,170	310,176	1,434,250	189,556		5,832,177
Equipment Additions							158,828	81,490	240,318
Subtotal	4,225,932	6,944,219	6,449,674	3,547,190	927,045	18,750,689	1,439,989	413,212	42,697,950
District Loan							400,000		400,000
Debt Service	248,644	749,175				2,510,256			3,508,075
Inter-Fund Adjustment	45,001	71,919	81,173	51,610	21,154	239,941	67,888	11,481	590,167
Total Expenditures	4,519,577	7,765,313	6,530,847	3,598,800	948,199	21,500,886	1,907,877	424,693	47,196,192
Potential Construction	120,000	250,000	1,000,000	250,000		250,000			1,870,000
Replacement Reserve						1,178,423		1,029,900	2,208,323
Contingency Reserve	150,000	250,000	648,000	100,000		1,000,000	1,200,000	100,000	3,448,000
Total Appropriated	4,789,577	8,265,313	8,178,847	3,948,800	948,199	23,929,309	3,107,877	1,554,593	54,722,515
General Reserve	697,491	713,105	5,292,573	421,128	139,110	1,675,213	2,472,781		11,411,401
Total Budget	$5,487,068	8,978,418	13,471,420	4,369,928	1,087,309	25,604,522	5,580,658	1,554,593	66,133,916

SUMMARY OF ESTIMATED CASH

	Potential Construction[1]	Replacement Reserve[2]	Contingency Reserve[3]	General Reserve[4]	Total
Flood Control Zones					
Northwest	$ 120,000		150,000	697,491	967,491
North Central	250,000		250,000	713,105	1,213,105
Central	1,000,000		648,000	5,292,573	6,940,573
East	250,000		100,000	421,128	771,128
South				139,110	139,110
Total	1,620,000		1,148,000	7,263,407	10,031,407
Water Utility Enterprise	250,000	1,178,423	1,000,000	1,675,213	4,103,636
District			1,200,000	2,472,781	3,672,781
Equipment Working Capital Fund		1,029,900	100,000		1,129,900
Total	$ 1,870,000	2,208,323	3,448,000	11,411,401	18,937,724

Estimated Cash - June 30, 1978	$ 18,937,724
Cash - June 30, 1977	33,170,734
Estimated Increase (Decrease) During Year	$(14,233,010)

1) An amount appropriated for outstanding contract commitments, pending interagency agreements, and/or project work which is of uncertain timing. These funds will be required should the actions and decisions necessary to proceed be completed, negotiations consummated, or work progresses faster than anticipated. No expenditure from this fund may be made without specific Board of Directors' approval.

2) An amount appropriated for the sole purpose of providing replacement and/or extraordinary repair of designated assets. Each year contributions are made to this fund so that monies will be available to replace these assets at the end of their useful life.

3) An amount appropriated to meet unforeseen expenditure requirements.

4) An amount to meet cash flow requirements before the proceeds from taxes or other revenue sources become available or for emergency expenditures. This is a true reserve and not an appropriation.

DISTRICT TAX RATES

	1974-75	1975-76	1976-77	Requested 1977-78	Final 1977-78
Flood Control Zones					
Northwest	.178	.153	.153	.143	.143
North Central	.179	.153	.153	.141	.141
Central	.170	.140	.140	.128	.128
East	.230	.230	.230	.230	.230
South	.195	.195	.195	.195	.195
Water Utility Enterprise					
Water Fund	.070	.070	.070	.070	.070
W-3 (land only)	.370	.370	.438	.438	.438
CSCVWCD	.018	.018	.013	.012	.012
W-4	.018	.018	.018	.018	.018
District Administration	.021	.021	.021	.019	.019

STATUS OF BONDED INDEBTEDNESS

	Total Amount Authorized and Sold	Date of Issue	Interest Range	Outstanding as of 6/30/76	1977-78 Redemption Principal	Interest	Total
Northwest Zone							
Series A	$ 2,625,000	1/1/57	3.50 to 5.00%	1,125,000	100,000	37,970	137,970
Series B	2,304,000	7/1/58	1.50 to 5.00%	1,014,000	80,000	30,674	110,674
	4,929,000			2,139,000	180,000	68,644	248,644
North Central Zone							
Series A	4,000,000	1/1/64	.05 to 5.00%	2,860,000	120,000	91,844	211,844
Series B	5,000,000	7/1/65	.10 to 5.00%	3,690,000	150,000	118,302	268,302
Series C	3,750,000	8/1/73	.05 to 7.00%	3,585,000	60,000	209,029	269,029
	12,750,000			10,135,000	330,000	419,175	749,175
Water Utility							
Series A	15,500,000	1/1/64	3.60 to 5.00%	11,680,000	(1)	360,503	360,503
Series B	14,200,000	6/1/66	.05 to 5.00%	12,720,000	(1)	453,652	453,652
Series C	3,500,000	8/1/68	4.60 to 5.00%	3,240,000	(1)	139,250	139,250
Series D	8,850,000	3/1/72	2.50 to 7.00%	8,490,000	85,000	471,626	556,626
	42,050,000			36,130,000	85,000	1,425,031	1,510,031
1972 Refunding	5,815,000	6/1/72	4.75%	3,870,000	605,000	185,797	790,797
SCVWCD							
5th Issue	850,000	7/1/54	1.75 to 4.25%	34,000	34,000	780	34,780
6th Issue	600,000	1/1/53	1.75 to 4.25%	24,000	24,000	551	24,551
7th Issue	3,000,000	7/1/57	3.25 to 5.00%	720,000	120,000	25,234	145,234
	4,450,000			778,000	178,000	26,565	204,565
Central SCVWCD	72,725	7/1/54	3.00%	6,725	3,000	165	3,165
Combined Total	$ 70,066,725			53,058,725	1,381,000	2,125,377	3,506,377

(1) Was redeemed by Bank of America Escrow Agreement.

FLOOD CONTROL ZONES

NORTHWEST

NORTH CENTRAL

CENTRAL

EAST

SOUTH

N

REVENUE SUMMARY

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Cash Beginning of Year	$3,112,468	2,848,304	2,694,208	3,387,843	3,387,843
Revenue Sources					
Property Taxes	1,624,923	1,657,000	1,738,863	1,849,871	1,812,443
Interest	241,080	206,323	193,000	187,834	187,834
Agreements and Advances	97,575	39,304	24,780	98,948	98,948
Other	53	75,420			
Total Revenue Sources	1,963,631	1,978,047	1,956,643	2,136,653	2,099,225
Total Cash Available	$5,076,099	4,826,351	4,650,851	5,524,496	5,487,068

OUTLAY SUMMARY

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Total Program Outlay	$1,961,183	1,619,927	2,781,283	4,270,933	4,270,933
Debt Service	266,612	260,748	254,759	248,644	248,644
Total Expenditures	2,227,795	1,880,675	3,036,042	4,519,577	4,519,577
Reserves and Contingency Approp.	2,848,304	2,945,676	1,614,809	1,004,919	967,491
Total	$5,076,099	4,826,351	4,650,851	5,524,496	5,487,068

BACKGROUND INFORMATION

The Northwest Zone is defined by geographic boundaries encompassing the tributaries and watersheds of San Francisquito Creek, Matadero Creek, Barron Creek, Adobe Creek, Stevens Creek and Permanente Creek. Also included in this zone is Stevens Creek Reservoir. The geographic area includes the Cities of Palo Alto, Los Altos, Los Altos Hills and Mountain View and portions of Cupertino and Sunnyvale.

The Northwest Zone is financed by revenue generated from a secured tax, unsecured taxes and interest income obtained through the short-term investment of excess funds. A secured tax rate of $.153 was levied in fiscal year 1976-77. A tax rate of $.143 is anticipated for fiscal year 1977-78.

SUMMARY BY PROGRAM

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Administration	$ 117,211	119,080	183,030	169,790	169,790
Planning	120,808	81,898	164,727	224,843	224,843
Construction	1,515,102	1,126,145	2,094,847	3,551,908	3,551,908
Maintenance	208,062	292,804	338,679	324,392	324,392
Total	$1,961,183	1,619,927	2,781,283	4,270,933	4,270,933

Administration Program

This program includes Ordinance Administration, Insurance and Administrative Projects. It also provides payment to the Water Utility for flood control benefits derived from the use of Stevens Creek Reservoir. This program shows a slight decrease over the preceding year due primarily to a decrease in budgeted labor for Ordinance Administration and Administrative Projects.

Planning Program

The funds budgeted in this program are to provide for the continuation of the Bayfront Levees Planning Study, the preparation of hearing plans and environmental reports, predesign work and the coordination of the interest expressed by local residents into the predesign work. The budgeted amount of $224,843 reflects a $60,116 (36 percent) increase compared to the amount requested for fiscal year 1976-77. Planning projects are:

Bayfront Levees Study $1,284

This study will provide for liaison with a proposed Corps of Engineers study to examine the various alternatives for providing protection to the Baylands from saltwater flooding. 25 percent of the total cost of this project is allocated to each of the Northwest, North Central, Central and East Flood Control Cost Centers.

Adobe Creek $31,703

This project provides for the completion of a Planning Study/Environmental Impact Report started in fiscal year 1976-77 on the reach of Adobe Creek between Louis Road and El Camino Real.

Barron Creek $46,574

This project consists of the completion of a Planning Study/Environmental Impact Report on Barron Creek on the reach between Louis Road and Gunn High School.

Matadero Creek $49,886

This project provides for the completion of a Planning Study/Environmental Impact Report on the reach of Matadero Creek between Louis Road and El Camino Real. The projects being planned on Adobe Creek, Barron Creek and Matadero Creek are being jointly reviewed to solve a common flooding problem.

Permanente Creek $41,009

This project will provide for an evaluation of alternative plans to provide for flood control and erosion protection and for completion of an Environmental Impact Report on the present channel between the Hale Creek confluence to 700 feet south of Portland Avenue. Also included is the reach of Permanente Diversion Channel which extends from Miramonte Avenue to Stevens Creek. This project also provides for meetings with local residents to determine their interest regarding proposed projects.

Stevens Creek $54,387

This project provides for the finalization of a Planning Study on Stevens Creek from San Francisco Bay to Stevens Creek Dam. Portions of the study are being done as a joint effort with the City of Mountain View. Meetings will also be held with local residents to determine their interest regarding the proposed projects.

Construction Program

This program provides funds for the acquisition or construction of new physical assets or the substantial improvement to the life or value of current physical assets. The budgeted amount of $3,551,908 includes the following projects:

Adobe Creek $695,583

This project provides for the preparation of plans and specifications, right of way acquisition and the start of construction of flood protection improvements on Adobe Creek between El Camino Real and Louis Road.

Barron Creek $719,630

This project provides for the preparation of plans and specifications, right of way acquisition and the start of construction of flood protection improvements between El Camino Real and Louis Road. Also included is the completion of a landscape project that extends from the Bayshore Freeway to Louis Road.

Matadero Creek $1,019,523

This project consists of the preparation of plans and specifications, right of way acquisition and start of construction of flood protection improvements between El Camino Real and Louis Road. Also included is the construction of several retaining walls and a culvert along the reach of Matadero Creek from El Camino Real to the abandoned Southern Pacific Railroad right of way. A new culvert will also be installed at the Page Mill Road crossing. The project also provides for landscaping of street crossings at Louis Road and at the Bayshore Freeway.

Permanente Diversion Channel $85,096

This project provides for the removal of a concrete bridge and the construction of a trash rack at the diversion structure. Also included is the construction of a concrete ramp into the channel, installation of driveways to the ramp from Miramonte Avenue and miscellaneous fence relocation.

Permanente Creek $60,021

This project provides for plans and specifications and the start of construction for raising and strengthening levees between Charleston Road and the Bayshore Freeway. Also included is a landscaping project at the street crossings at Charleston Road, Bayshore Freeway, Middlefield Road, Central Expressway, California Street and El Camino Real in the City of Mountain View.

San Francisquito Creek $18,584

This project consists of the design of maintenance measures necessary to control erosion on the reach of San Francisquito Creek between Alma Street and Marlo Street in the City of Palo Alto.

Stevens Creek $283,356

This project provides for the purchase of property subject to potential bank failure of Stevens Creek along Diericx Drive and for a parcel of land near Homestead Road. The project also consists of a pilot project for a flood warning and emergency preparedness plan on Stevens Creek.

Arastradero Creek $41,181

This project provides funds for construction of a new culvert for the Page Mill Road crossing. This is a joint project with the Town of Los Altos Hills.

Palo Alto Flood Basin $628,934

This project provides for completion of construction of the levees and walls along Matadero Creek and along the Bayshore Freeway Frontage Road at the Palo Alto Flood Basin. The project also includes the landscaping of the affected areas.

Potential Construction $120,000

Potential construction appropriations are provided for advanced right of way acquisition associated with the dedication policy ($20,000) and for potential construction of erosion control measures on San Francisquito Creek ($100,000).

Maintenance Program

Funds budgeted in this project provide normal maintenance requirements within the cost center. No unusual maintenance work is anticipated for fiscal year 1977-78. The total amount budgeted in this project reflects a 4 percent decrease compared with the preceding year.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM: Administration	Planning	Construction	Maintenance	Project Totals
Ordinance Administration	$ 91,326				91,326
Bayfront Levees Study		1,284			1,284
Insurance	33,242				33,242
Administrative Projects	42,128				42,128
Adobe Creek		31,703	695,583		727,286
Barron Creek		46,574	719,630		766,204
Matadero Creek		49,886	1,019,523		1,069,409
Permanente Diversion Channel			85,096		85,096
Permanente Creek		41,009	60,021		101,030
San Francisquito Creek			18,584		18,584
Stevens Creek		54,387	283,356		337,743
Arastradero Creek			41,181		41,181
Palo Alto Flood Basin			628,934		628,934
Northwest Zone - Maintenance				324,392	324,392
Stevens Creek Dam & Reservoir	3,094				3,094
Total	$ 169,790	224,843	3,551,908	324,392	4,270,933

NORTH CENTRAL ZONE

REVENUE SUMMARY

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Cash Beginning of Year	$ 7,628,910	6,936,602	4,708,438	3,305,467	3,305,467
Revenue Sources					
Property Taxes	2,179,809	2,196,325	2,420,069	2,600,855	2,546,329
Interest	607,382	462,529	296,000	321,121	321,121
Agreements and Advances		108,612	23,730	2,805,401	2,805,401
Other	1,777	5,308		100	100
Total Revenue Sources	2,788,968	2,772,774	2,739,799	5,727,477	5,672,951
Total Cash Available	$10,417,878	9,709,376	7,448,237	9,032,944	8,978,418

OUTLAY SUMMARY

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Total Program Outlay	$ 2,606,260	2,692,626	6,007,460	7,016,138	7,016,138
Debt Service	875,016	758,672	761,780	749,175	749,175
Total Expenditures	3,481,276	3,451,298	6,769,240	7,765,313	7,765,313
Reserves and Contingency Approp.	6,936,602	6,258,078	678,997	1,267,631	1,213,105
Total	$10,417,878	9,709,376	7,448,237	9,032,944	8,978,418

BACKGROUND INFORMATION

The North Central Zone is defined by geographic boundaries encompassing the tributaries and watersheds of the Guadalupe Slough, Sunnyvale West Outfall, Sunnyvale East Outfall, Calabazas Creek, San Tomas Aquino Creek and Saratoga Creek. The geographic area includes the City of Saratoga and portions of the Cities of Sunnyvale, Santa Clara, Campbell, Cupertino, Monte Sereno, Los Gatos and San Jose.

The North Central Zone is financed by revenue generated from a secured tax rate, unsecured taxes and interest income obtained through the short-term investment of excess funds. A secured tax rate of $.153 was levied in fiscal year 1976-77. A rate of $.141 for fiscal year 1977-78 is anticipated.

SUMMARY BY PROGRAM

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Administration	$ 165,382	176,922	255,784	226,963	226,963
Planning	50,118	126,532	154,037	160,028	160,028
Construction	1,997,118	1,926,896	5,054,249	6,126,279	6,126,279
Maintenance	393,642	462,276	543,390	502,868	502,868
Total	$2,606,260	2,692,626	6,007,460	7,016,138	7,016,138

Administration Program

This program includes Ordinance Administration, Insurance and Administrative Projects. This program reflects a $28,821 decrease compared to the amount budgeted in 1976-77. This decrease is due primarily to a decrease in the level of support in Ordinance Administration and the Administrative Projects. Also included in the budgeted amount is an increase of $15,795 for the Risk Management Program.

Planning Program

The funds budgeted in this program provide for various planning studies for the preparation of hearing plans, environmental impact reports and certain special studies. The budgeted amount of $160,028 reflects a slight increase compared to the amounts budgeted for fiscal year 1976-77. Planning projects are:

Bayfront Levees Study $1,284

This study will provide for liaison with a proposed Corps of Engineers study to examine the various alternatives for providing protection to the Baylands from saltwater flooding. 25 percent of the total cost of this project is allocated to each of the Northwest, North Central, Central and East Flood Control Cost Centers.

Calabazas Creek $59,340

This project consists of a study of flood and erosion prevention measures on Calabazas Creek between Lawrence Expressway and the headwaters. The project will result in the completion of the planning study and Environmental Impact Report.

San Tomas Aquino Creek $42,978

This project consists of a planning study on San Tomas Aquino Creek on the reach between Pollard Road in Los Gatos and Bainter Avenue in Saratoga. The study will consist of evaluation of alternatives, neighborhood meetings and the preparation of a draft Planning Study/Environmental Impact Report to evaluate and establish flood and erosion protection measures.

Saratoga Creek $26,440

This project is a planning study of alternative solutions to the flooding and erosion problems on Saratoga Creek between Stevens Creek Boulevard in San Jose and Fourth Street in the City of Saratoga. The study will include an investigation of alternative solutions in conjunction with public participation.

Wildcat Creek $29,986

This project provides for the development of alternative solutions to the flooding and erosion problems on the reach of Wildcat Creek from the headwaters to the San Tomas Creek confluence. A program of public participation is included in this project.

Construction Program

This program provides funds for the acquisition or construction of physical assets or the substantial improvement to the life or value of current physical assets. The budgeted amount of $6,126,279 includes the following projects:

Calabazas Creek $2,776,235

This project includes various channel improvements from Calabazas Basin to Stevens Creek Boulevard. The primary element of the project consists of the preparation of plans and specifications and acquisition of right of way for flood protection measures from the Calabazas Basin to the Bayshore Freeway including channel construction and raising the westbound Route 237 bridge. Also included is the completion of a Planning Study/

Environmental Impact Report for the reach from El Camino Real to Lawrence Expressway for the construction of three box culverts. Funds are also provided for landscape installation on the reach between Bayshore Freeway and the Southern Pacific Railroad and for the construction of a box culvert at Stevens Creek Boulevard.

Regnart Creek $62,938

This project provides for the acquisition of two parcels of land required for flood control improvements on the reach of Regnart Creek downstream of Bubb Road.

San Tomas Aquino Creek $2,041,095

The primary element of this project consists of the completion of a Planning Study/ Environmental Impact Report and for preparation of plans and specifications, acquisition of right of way and the start of construction for flood protection measures on the reach from Calabazas Basin to the Bayshore Freeway. This work consists primarily of levee construction and raising the westbound bridge at Route 237. Also included is funding to provide for completion of the landscaping project on the reach from Rincon Avenue to McCoy Avenue and on the reach between Williams Road and Rincon Avenue. Funding is also included to provide for the District's share of the right of way costs of the new Pollard Road bridge crossing at San Tomas Aquino Creek. This portion is a shared-cost project with the Cities of Saratoga, Los Gatos and Campbell.

Saratoga Creek $941,232

This project provides for the preparation of plans and specifications for start of construction of portions of Saratoga Creek from the San Tomas Creek confluence to Lawrence Expressway. This reach of Saratoga Creek has extensive erosion problems as well as flooding problems. The work to be undertaken is supported by a citizens' group and the City of Santa Clara.

Sunnyvale East Outfall $214,008

This project provides for the reconstruction of the levee on the reach from Calabazas Basin to Caribbean Avenue. These levees are no longer at a sufficient elevation to prevent flooding of the surrounding areas. The project also provides funds for the completion of construction of the reach located adjacent to Casa De Amigos Mobile Home Park at Tasman Drive.

Wildcat Creek $90,771

This project provides for the design and construction of a new bridge at Quito Road over Wildcat Creek. This is a shared-cost project with the City of Saratoga.

Potential Construction $250,000

Potential construction appropriations are requested for possible advanced right of way acquisition associated with the dedication policy ($50,000) and for possible construction on Saratoga Creek ($200,000).

Maintenance Program

Funds budgeted in this program provide for normal maintenance requirements within the Cost Center. The project also provides for significant maintenance work on Calabazas Creek between Blaney Avenue and Rainbow Drive. The project provides for bank stabilization at critically eroded areas and provides for clearing of undesirable growth within the channel. This project shows a $40,522 (7 percent) decrease compared to the preceding year.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM				Project Totals
	Administration	Planning	Construction	Maintenance	
Ordinance Administration	$ 141,690				141,690
Bayfront Levees Study		1,284			1,284
Insurance	42,753				42,753
Administrative Projects	42,520				42,520
Calabazas Creek		59,340	2,776,235	67,685	2,903,260
Regnart Creek			62,938		62,938
San Tomas Aquino Creek		42,978	2,041,095		2,084,073
Saratoga Creek		26,440	941,232		967,672
Sunnyvale East Outfall			214,008		214,008
Wildcat Creek		29,986	90,771		120,757
North Central Zone - Maintenance				435,183	435,183
Total	$ 226,963	160,028	6,126,279	502,868	7,016,138

CENTRAL ZONE

REVENUE SUMMARY

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Cash Beginning of Year	$ 7,680,670	9,218,470	8,713,563	10,410,872	10,410,872
Revenue Sources					
Property Taxes	2,232,412	2,172,863	2,436,290	2,612,423	2,439,326
Interest	699,085	688,260	592,000	609,605	609,605
Agreements and Advances	561	69,797		10,717	10,717
Other	329	9,035		900	900
Total Revenue Sources	2,932,387	2,939,955	3,028,290	3,233,645	3,060,548
Total Cash Available	$10,613,057	12,158,425	11,741,853	13,644,517	13,471,420

OUTLAY SUMMARY

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Total Program Outlay	$ 1,394,587	2,372,628	4,097,488	6,530,847	6,530,847
Debt Service					
Total Expenditures	1,394,587	2,372,628	4,097,488	6,530,847	6,530,847
Reserves and Contingency Approp.	9,218,470	9,785,797	7,644,365	7,113,670	6,940,573
Total	$10,613,057	12,158,425	11,741,853	13,644,517	13,471,420

BACKGROUND INFORMATION

The Central Zone is defined by geographic boundaries encompassing the tributaries and watersheds of the Guadalupe River. The major tributaries are Los Gatos Creek, Canoas Creek, Ross Creek, Guadalupe Creek and Alamitos Creek. Also included in this zone are Calero, Almaden, Guadalupe, Lexington and Vasona Reservoirs. The geographic area includes portions of the Cities of Santa Clara, San Jose, Campbell, Monte Sereno and Los Gatos.

The Central Zone is financed by revenue generated from a secured tax rate, unsecured taxes and interest income obtained through short-term investments. A secured tax rate of $.140 was levied in fiscal year 1976-77. A rate of $.128 is anticipated for fiscal year 1977-78.

SUMMARY BY PROGRAM

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Administration	$ 164,927	177,829	243,364	226,886	226,886
Planning	114,079	146,513	173,945	247,273	247,273
Construction	921,359	1,801,998	3,368,788	5,665,017	5,665,017
Maintenance	194,222	246,288	311,391	391,671	391,671
Total	$1,394,587	2,372,628	4,097,488	6,530,847	6,530,847

Administration Program

This program includes Ordinance Administration, Insurance and Administrative Projects. It also provides payment to the Water Utility for flood control benefits derived from the use of the reservoirs within the Zone. A decrease of $16,478 in this program is due to reduced expenditures in Ordinance Administration and Administrative Projects. The decrease in these projects is partially offset by increases in the Risk Management Program.

Planning Program

Funds budgeted in the program provide for all planning studies, preparation of hearing plans and environmental impact reports. The budgeted amount of $247,273 reflects a 42 percent increase compared to the amounts requested for fiscal year 1976-77. Planning projects are:

Guadalupe River, Corps of Engineers Study $66,317

This project provides District support for the Corps of Engineers Study on Guadalupe River and Adjacent Streams. The study will review alternative flood protection projects on the Guadalupe River and Coyote Creek. The total cost of the study of $132,642 is shared equally between the East and Central Zones because of the common floodplain.

Bayfront Levees Study $1,284

This study will provide for liaison with a proposed Corps of Engineers Study to examine the various alternatives for providing protection to the Baylands from saltwater flooding. 25 percent of the total cost of this project is allocated to each of the Northwest, North Central, Central and East Flood Control Cost Centers.

Multipurpose Optimization - Los Gatos Creek $41,657

This project will provide for evaluation of utilizing Lexington Reservoir and the Los Gatos Creek drainage basin for multiple purposes. The purposes being investigated are water supply, recreation, and flood damage mitigation. The optimized benefits of these functions will be used to recommend future operating procedures.

Guadalupe River $35,232

This project provides for the development of alternative solutions to the flooding and erosion problems on the Guadalupe River on the reach from about 2,000 feet downstream of Hillsdale Avenue to Blossom Hill Road. Meetings with local residents will be used to develop the alternative solutions and determine the most acceptable plan.

Los Gatos Creek $81,024

This project provides for the development of a draft Planning Study/Environmental Impact Report on the reach of Los Gatos Creek between Guadalupe River Confluence and Highway 280. The study will investigate various flood control and erosion protection measures which are acceptable to the local residents. Also included is the development of a draft Planning Study/Environmental Impact Report on the reach of Los Gatos Creek between Highway 280 and Lexington Dam. Alternative solutions to the flooding and erosion problems will be evaluated in conjunction with a public participation program.

Ross Creek $21,759

This project will provide for the preparation of a Planning Study/Environmental Impact Report recommending a solution to flood and erosion problems on Ross Creek between the confluence of Guadalupe River and Camino Del Cerro. This year's effort will consist of project familiarization and mapping.

Construction Program

This program provides funds for the acquisition or construction of new physical assets or the substantial improvement to the life or value of current physical assets. The budgeted amount of $5,665,017 includes the following projects:

Alamitos Creek — $2,271,467

This project provides for completion of construction design, right of way acquisition and start of construction of flood protection measures on Alamitos Creek between Guadalupe River and Greystone Lane. The project also provides funds for right of way acquisition on the reach from Greystone Lane to Calero Creek.

Canoas Creek — $24,841

This project provides for the design of landscaping at numerous street crossings on Canoas Creek between its confluence with Guadalupe River and the open channel termination at Cottle Road.

Calero Creek — $107,596

This project provides for advanced right of way acquisition on Calero Creek as required under the District's Dedication Policy.

Guadalupe River — $1,731,866

This project provides for right of way acquisition and construction of a levee raising project on the Guadalupe River from the Southern Pacific Railroad in Alviso to Trimble Road. The project also provides for completion of landscaping on the Guadalupe River between Blossom Hill Road and the confluence with Alamitos Creek.

Los Gatos Creek — $1,145,432

This project will provide for the construction of a 48-inch pipeline from Kirk Dam to Vasona Dam. The pipeline will be constructed in advance of flood control measures in order to coordinate the construction of an emergency water supply system at the Vasona Pump Station. The project also provides for preparation of plans and specifications and initial construction to remove the Kirk Diversion weir and regrade Los Gatos Creek in Los Gatos. In addition, minor work to curtail bank erosion in the City of San Jose downstream of Meridian Avenue is planned.

Ross Creek $25,199

This project will provide for the construction of a culvert at Shannon Road. The cost of this project will be shared with the Town of Los Gatos.

Guadalupe Creek $303,366

This project provides funds to complete the acquisition of right of way along the reach of Guadalupe Creek from Meridian Avenue to Camden Avenue in cooperation with the City of San Jose. Final construction of the channel in the vicinity of Meridian Avenue will be undertaken.

Santa Teresa Creek $55,250

This project consists of advanced right of way acquisition on the reach of Santa Teresa Creek located between the Calero Creek-Santa Teresa Creek confluence 900 feet north of Harry Road to the foothills south of San Vincente Avenue.

Potential Construction $1,000,000

Potential construction appropriations are provided for right of way acquisition for a future Corps of Engineers project on Guadalupe River.

Maintenance Program

Funds budgeted in this program provide for normal maintenance requirements within the Cost Center. Special maintenance work is anticipated on Golf Creek. This maintenance work consists of a project to stabilize about 670 feet of the westerly channel bank of Golf Creek downstream of Redmond Road. The budgeted amount of $391,671 shows an increase of $80,280 or 26 percent compared with the previous year. This increase is due to the maintenance required on Golf Creek.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM Administration	Planning	Construction	Maintenance	Project Totals
Corps of Engineer Study	$	66,317			66,317
Ordinance Administration	137,512				137,512
Bayfront Levees Study		1,284			1,284
Multipurpose Optimiz.-L. Gatos Cr.		41,657			41,657
Insurance	23,792				23,792
Administrative Projects	44,921				44,921
Alamitos Creek			2,271,467		2,271,467
Canoas Creek			24,841		24,841
Calero Creek			107,596		107,596
Golf Creek				84,601	84,601
Guadalupe River		35,232	1,731,866		1,767,098
Los Gatos Creek		81,024	1,145,432		1,226,456
Ross Creek		21,759	25,199		46,958
Guadalupe Creek			303,366		303,366
Santa Teresa Creek			55,250		55,250
Central Zone - Maintenance				307,070	307,070
Almaden Dam & Reservoir	3,094				3,094
Calero Dam & Reservoir	3,094				3,094
Guadalupe Dam & Reservoir	3,094				3,094
Lexington Dam & Reservoir	8,285				8,285
Vasona Dam & Reservoir	3,094				3,094
Total	$ 226,886	247,273	5,665,017	391,671	6,530,847

EAST ZONE

REVENUE SUMMARY

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Cash Beginning of Year	$1,334,174	1,913,918	738,245	2,074,959	2,074,959
Revenue Sources					
Property Taxes	1,491,530	1,698,090	1,846,656	2,126,730	2,131,310
Interest	113,329	142,995	136,000	129,679	129,679
Agreements and Advances	14,296	210,871	694,767	31,680	31,680
Other	475	450,527		2,300	2,300
Total Revenue Sources	1,619,630	2,502,483	2,677,423	2,290,389	2,294,969
Total Cash Available	$2,953,804	4,416,401	3,415,668	4,365,348	4,369,928

OUTLAY SUMMARY

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Total Program Outlay	$1,039,886	1,413,614	2,285,866	3,598,800	3,598,800
Debt Service					
Total Expenditures	1,039,886	1,413,614	2,285,866	3,598,800	3,598,800
Reserves and Contingency Approp.	1,913,918	3,002,787	1,129,802	766,548	771,128
Total	$2,953,804	4,416,401	3,415,668	4,365,348	4,369,928

BACKGROUND INFORMATION

The East Zone is defined by geographic boundaries encompassing the tributaries and watersheds of Coyote Creek. The major tributaries are Lower Penitencia Creek, Scott Creek, Berryessa Creek, Upper Penitencia Creek, Silver Creek, Thompson Creek, Fisher Creek, and Packwood Creek. Also included in this zone are Anderson and Coyote Reservoirs. The geographic area includes the City of Milpitas and portions of the Cities of San Jose and Morgan Hill.

The East Zone is financed by revenue generated from a secured tax rate, unsecured taxes and interest income obtained through short-term investments. A secured tax rate of $.230 was levied in fiscal year 1976-77. A rate of $.230 is anticipated for fiscal year 1977-78.

SUMMARY BY PROGRAM

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Administration	$ 168,179	290,603	738,416	260,037	260,037
Planning	104,319	146,694	144,671	191,718	191,718
Construction	515,934	668,364	1,046,210	2,865,653	2,865,653
Maintenance	251,454	307,953	356,569	281,392	281,392
Total	$1,039,886	1,413,614	2,285,866	3,598,800	3,598,800

Administration Program

This program includes Ordinance Administration, Insurance and Administrative Projects. It also provides payment to the Water Utility for flood control benefits derived from the use of the reservoirs in the Zone. This program shows a substantial decrease compared to the preceding year in which $492,000 had been budgeted for repayment of loans.

Planning Program

Funds budgeted in the program provide for all planning studies, preparation of hearing plans and environmental impact reports. The budgeted amount of $191,718 reflects a 32 percent increase compared to the amount requested in fiscal year 1976-77. Planning projects are:

Guadalupe River, Corps of Engineers Study $66,325

This project provides District support for the Corps of Engineers on the Guadalupe River and Adjacent Streams. The study will review alternative flood protection projects in the Guadalupe River and Coyote Creek. The total cost of the study is $132,642. This will be shared equally between East Zone and the Central Zone because of the common floodplain.

Project Financing Study $3,202

This project provides funds to study various means of financing the needed flood protection projects in the East Zone. Analysis will include the bond programs, loans and other alternatives. Additional financing is required to accelerate construction of flood protection work on Silver and Berryessa Creeks as well as other East Zone high priority projects.

Bayfront Levees Study $1,293

This study will provide for liaison with a proposed Corps of Engineers Study to examine the various alternatives for providing protection to the Baylands from saltwater flooding. 25 percent of the total cost of this project is allocated to each of the Northwest, North Central, Central and East Flood Control Cost Centers.

Berryessa Creek $25,365

This project provides for the preparation of a Planning Study/Environmental Impact Report to provide flood and erosion correction on Berryessa Creek between Calaveras Road and Piedmont Road.

Silver Creek - Lower $20,101

This project provides for a Planning Study/Environmental Impact Report which consolidates the earlier study on Lower Silver Creek with the Lake Cunningham and Thompson Creek studies.

Penitencia Creek - Upper $25,644

This project provides for a study of the flooding problems on Upper Penitencia Creek between its confluence with Coyote Creek near Berryessa Road and Dorel Avenue.

Penitencia Creek - Lower $22,868

This project provides for a Planning Study/Environmental Impact Report relative to flooding and erosion problems on Lower Penitencia Creek between the confluence of Coyote Creek and Trimble Road.

Thompson Creek $26,920

This project provides for the preparation of a Planning Study/Environmental Impact Report and for meetings held with local residents to determine their interest. The project is located between the confluence with Silver Creek and about 2,000 feet south of Aborn Road.

Construction Program

This program provides funds for the acquisition or construction of new physical assets or the substantial improvement of the life or value of current physical assets. The budgeted amount of $2,865,653 includes the following projects:

North Babb Creek $79,972

This project provides for the construction of a concrete-lined channel extending from the existing lined channel to the box culvert under Highwood Drive near the confluence with Silver Creek.

Berryessa Creek $83,460

This project provides for the completion of construction of flood protection work on Berryessa Creek in the City of Milpitas and for the design and installation of landscaping.

Fisher Creek $570

This project provides for payment for the flood control easement acquired under the District's Floodplain Dedication Policy. The parcel is located in the area of Madrone Avenue and Doherty Avenue in Morgan Hill.

Silver Creek - Lower $1,670,876

This project provides for the completion of plans and specifications and the start of construction of interim grading of Lake Cunningham to increase flood protection downstream adjacent to Silver Creek. This is a joint project with the City of San Jose. The City of San Jose will provide necessary right of way for this project. The District's contribution is to be the savings due to reduction in capacity of the Silver Creek Channel that will be realized by the on-site storage of floodwaters that the lake/park will provide. This project also provides for preparation of plans and

specifications for flood control improvements to Lower Silver Creek between Story Road and State Route 680 and for possible reimbursement of a portion of funds advanced from the City of San Jose for construction of bridges at Ocala Avenue and Cunningham Avenue.

Thompson Creek $1,030,775

This project provides for the preparation of plans and specifications, acquisition of right of way and the start of construction on Thompson Creek from Lower Silver Creek to Aborn Road.

Potential Construction $250,000

Potential construction appropriations are provided for possible advanced right of way acquisition within the Zone associated with the Dedication Policy ($50,000) and potential construction of a joint project with the City of San Jose to enlarge the culvert at King/McKee intersection on Silver Creek ($200,000).

Maintenance Program

Funds budgeted in this program provide the normal maintenance requirements within the Cost Center. The budgeted amount shows a $75,177 or 21 percent decrease compared to the preceding year. The decrease is due primarily to reduced labor and a reduction in the need for leased equipment and silt and debris removal within the East Zone. No special maintenance projects are anticipated.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM Administration	Planning	Construction	Maintenance	Project Totals
Corps of Engineers Study	$	66,325			66,325
Ordinance Administration	144,889				144,889
Project Financing Study		3,202			3,202
Bayfront Levees Study		1,293			1,293
Insurance	27,999				27,999
Administrative Projects	47,315				47,315
North Babb Creek			79,972		79,972
Berryessa Creek		25,365	83,460		108,825
Fisher Creek			570		570
Silver Creek-Lower		20,101	1,670,876		1,690,977
Penitencia Creek-Upper		25,644			25,644
Penitencia Creek-Lower		22,868			22,868
Thompson Creek		26,920	1,030,775		1,057,695
East Zone - Maintenance				281,392	281,392
Anderson Dam & Reservoir	21,960				21,960
Coyote Dam & Reservoir	17,874				17,874
Total	$ 260,037	191,718	2,865,653	281,392	3,598,800

SOUTH ZONE

REVENUE SUMMARY

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Cash Beginning of Year	$ 118,333	146,626	182,237	264,673	264,673
Revenue Sources					
Property Taxes	249,742	289,812	344,601	400,082	404,129
Interest	9,883	10,236	10,000	14,757	14,757
Agreements and Advances	21,346	51,915		403,750	403,750
Other	6,675	7,136			
Total Revenue Sources	287,646	359,099	354,601	818,589	822,636
Total Cash Available	$ 405,979	505,725	536,838	1,083,262	1,087,309

OUTLAY SUMMARY

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Total Program Outlay	$ 259,353	311,627	351,934	948,199	948,199
Debt Service					
Total Expenditures	259,353	311,627	351,934	948,199	948,199
Reserves and Contingency Approp.	146,626	194,098	184,904	135,063	139,110
Total	$ 405,979	505,725	536,838	1,083,262	1,087,309

BACKGROUND INFORMATION

The South Zone is defined by geographic boundaries encompassing the tributaries and watersheds of the Pajaro River in Santa Clara County. The major tributaries are Little Llagas Creek, Llagas Creek, West Branch of the Llagas Creek, Uvas-Carnadero Creek, Pescadero Creek, and Pacheco Creek. The zone includes the City of Gilroy and portions of the Cities of San Jose and Morgan Hill.

The South Zone is financed by revenue generated from a secured tax rate, unsecured taxes and interest income obtained through the short-term investments of excess funds and from advances from the District Fund. At the end of fiscal year 1976-77 this zone had an outstanding loan from the District Fund of $220,985. An additional loan of $400,000 is requested for fiscal year 1977-78. The outstanding loan balance at the end of fiscal year 1977-78 will be $620,985. A secured tax rate of $.195 was levied in fiscal year 1976-77. A tax rate of $.195 for fiscal year 1977-78 is anticipated.

SUMMARY BY PROGRAM

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Administration	$ 100,622	201,921	168,908	189,099	189,099
Planning	11,394	3,453	59,036	30,615	30,615
Construction	109,454	45,906	19,183	638,211	638,211
Maintenance	37,883	60,347	104,807	90,274	90,274
Total	$ 259,353	311,627	351,934	948,199	948,199

Administration Program

This program includes Ordinance Administration, Insurance and Administrative Projects. The budgeted amount of $189,099 shows a $20,191 increase over the preceding year. The increase is due primarily to increased effort in the Ordinance Administration Project and in the Insurance Project. The increased effort is necessary to provide for enforcement and application of Ordinance 74-1 and provide District labor necessary to assist other agencies in land use decisions and evaluation of flooding effects within the South Zone. The Insurance Project in the South Zone has increased approximately $10,800 compared to the preceding year.

Planning Program

Funds budgeted in this program provide for various planning studies, preparation of hearing plans and environmental impact reports. The budgeted amount of $30,615 reflects a $28,421 decrease compared to the preceding year. Planning Projects are:

Pajaro River, Corps of Engineers Study $7,099

This project provides for liaison with the Corps of Engineers in their study of the Upper Pajaro River Basin, particularly the Uvas-Carnadero Creek area.

Public Law 566 (Upper) $14,310

This project provides for nonreimbursable funds required to coordinate work with State, Federal and local agencies relative to planning of environmentally acceptable projects on the Upper Llagas Creek.

Public Law 566 (Lower) $9,206

This project provides for nonreimbursable funds required to coordinate work with State, Federal and local agencies relative to planning of environmentally acceptable projects on the Lower Llagas Creek.

Construction Program

This program provides funds for the acquisition or construction of new physical assets or the substantial improvement to the life or value of current physical assets. The budgeted amount of $638,211 is required for the following projects:

Llagas Creek $1,876

This project provides for the payment for the flood control easement acquired in January 1976 under the District's Floodplain Dedication Policy. This parcel is located in the area of Sycamore and Bowden Avenues in Morgan Hill.

Corrallitos Creek $1,302

This project provides for the payment for the flood control easement acquired in December 1975 under the District's Floodplain Dedication Policy. The parcel is located in the area of Center and Maple Avenues in Morgan Hill.

Upper Llagas Creek Watershed Project $111,538

This project provides funds for reimbursable coordination work and other reimbursable expenses relating to the right of way acquisition and relocation of bridges and utilities

on the Upper Llagas Creek Watershed Project. The costs are partially reimbursed in accordance with State Law by the State Department of Water Resources.

Lower Llagas Creek Watershed Project $221,851

This project is to provide funds for reimbursable coordination work and other reimbursable expenses relating to the right of way acquisition and relocation of bridges and utilities on the Lower Llagas Creek Watershed Project. These costs are partially reimbursed in accordance with State Law by the State Department of Water Resources.

San Martin Creek $1,048

This project provides for payment for the flood control easement acquired in January 1976 under District's Floodplain Dedication Policy. The parcel is located in the area of Center and San Martin Avenues in San Martin.

Public Law 566 (Upper) $16,980

This project provides for coordination of Federal, State and local agencies relative to construction of fire prevention measures in the Upper Llagas Creek Watershed. This is a cost-sharing project between the State, Federal and local agencies. Work is scheduled for completion in 1977-78.

Public Law 566 (Lower) $283,616

This project provides for preparation of plans and specifications for flood control improvements on Lower Llagas Creek (Reach 2) from Pacheco Pass Highway to 1700 feet upstream of Bloomfield Road. This is the highest priority project in the South Zone. The District is preparing plans for this project. Design expenses will be reimbursed by the Soil Conservation Service.

Maintenance Program

Funds budgeted in this program provide for normal maintenance requirements within the Cost Center. No special maintenance projects are anticipated. The project shows a $14,533 or 14 percent decrease in maintenance costs compared to the previous year.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM: Administration	Planning	Construction	Maintenance	Project Totals
Ordinance Administration	$ 141,268				141,268
Pajaro River C of E Study		7,099			7,099
Insurance	22,746				22,746
Administrative Projects	25,085				25,085
Llagas Creek			1,876		1,876
Corrallitos Creek			1,302		1,302
Upper Llagas Ck Watershed Project			111,538		111,538
Lower Llagas Ck Watershed Project			221,851		221,851
San Martin Creek			1,048		1,048
Public Law 566 (Upper)		14,310	16,980		31,290
Public Law 566 (Lower)		9,206	283,616		292,822
South Zone - Maintenance				90,274	90,274
Total	$ 189,099	30,615	638,211	90,274	948,199

WATER UTILITY

SOURCE OF SUPPLY

RAW WATER TRANSMISSION & DISTRIBUTION

WATER TREATMENT

TREATED WATER TRANSMISSION & DISTRIBUTION

ADMINISTRATION AND GENERAL

BACKGROUND INFORMATION

Accounting for the Water Utility is accomplished on an enterprise fund basis. Revenue is used to provide commercial-type services to the public which are not usually available through private enterprise.

Water Utility Enterprise activities are partially financed by Countywide ad valorem tax. This tax is levied to pay for recreational benefits derived from District reservoirs and to pay for the capital cost of water import facilities. This is deemed commensurate to the general benefits derived from having a supplemental supply of water available to the District. A portion of this tax is refunded by the District directly to the Cities of Palo Alto, Mountain View, Sunnyvale, Milpitas, Santa Clara, San Jose and to Stanford University and the Purissima Hills Water District because these purchasers import water from the City and County of San Francisco's Hetch Hetchy water supply.

The major sources of water supply income are charges levied on all groundwater extracted within Zone W-2 of the District and from the sale of treated water. An estimated 21,545 acre-feet of groundwater for agricultural use and 139,670 acre-feet of groundwater for nonagricultural use is expected to be extracted from the groundwater basin in 1977-78. In addition, 62,000 acre-feet of contract treated water and 1,000 acre-feet of non-contract treated water is anticipated to be sold to District water supply contractors. Other sources of revenue will result from the levying of ad valorem taxes in Zones W-3 and W-4 and from the sale of approximately 4,300 acre-feet of surface delivered untreated water in Zone W-2. Of this amount, 1,000 acre-feet is reclaimed water which will be used by the City of Palo Alto for landscape irrigation. An estimated additional 1,050 acre-feet of untreated surface delivered water will be used in Zone W-3.

The following is a brief description of the various water zones:

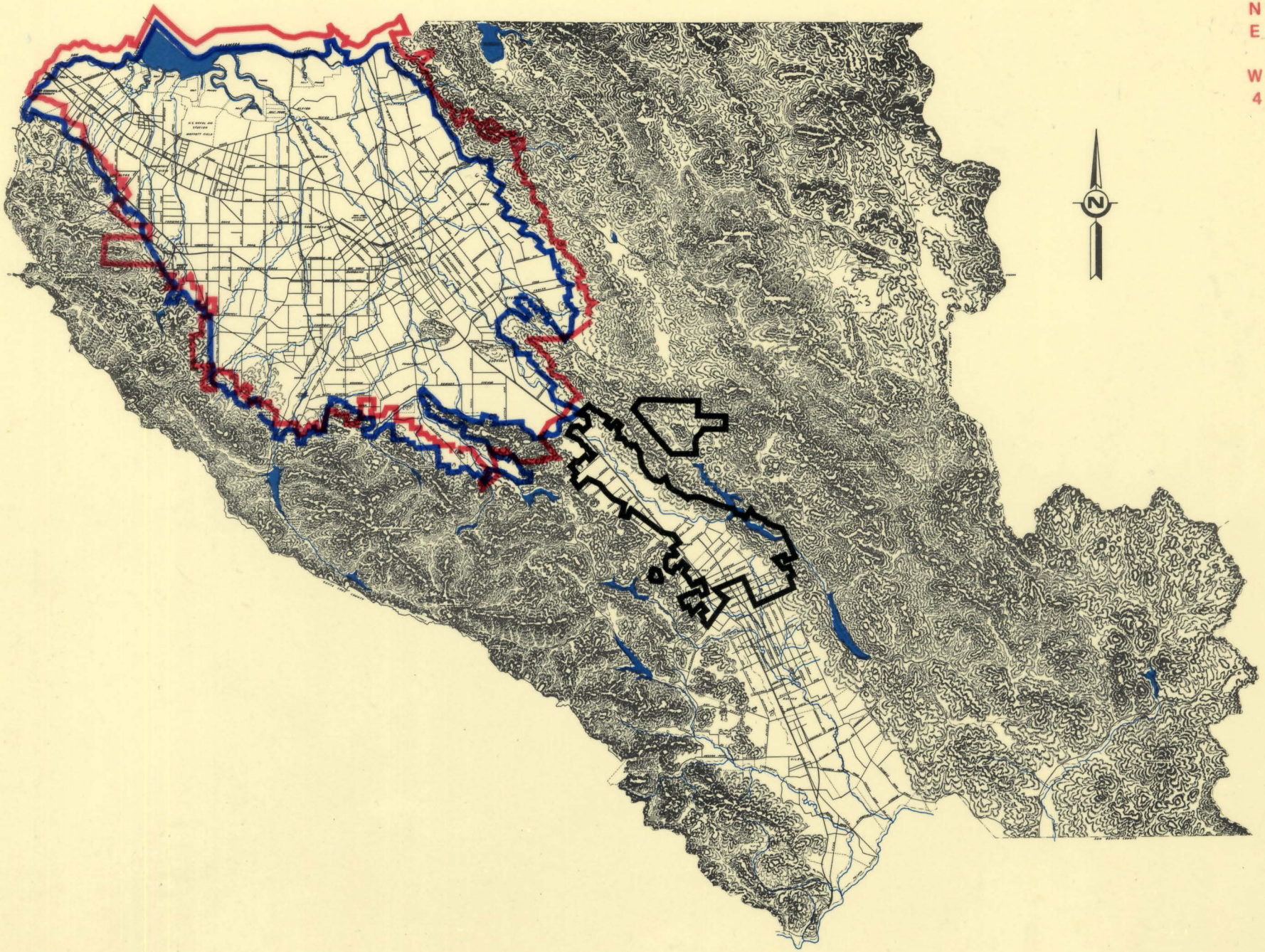
Zone W-2 This zone encompasses the Santa Clara Valley Groundwater Basin north of Metcalf Road and includes those groundwater producing facilities that benefit from the recharge of the basin with local and imported water. Here, a charge is levied for groundwater extraction.

Zone W-3 This zone encompasses the land of water consumers whose source of water is derived from the Coyote and Llagas Groundwater Basins in the area of Metcalf Road on the north to just south of Morgan Hill. Here, financing is through a property tax on land only. Zones W-3.1, 3.2, 3.3, and 3.5 are local areas within the W-3 Zone in which groundwater extraction charges are levied.

Zone W-4 This zone contains all of Zone W-2 as well as the lands of water consumers outside Zone W-2 that use or otherwise benefit from locally conserved water and from the importation and distribution of water from the South Bay Aqueduct. Here, a property tax is levied to pay for the cost of water used to recover the accumulated overdraft, control land surface subsidence and sustain the emergency supply of water.

Due to the requirements of the uniform accounting practices adopted by the State, it is necessary to divide expenditures from the Water Utility Enterprise into various categories which constitute the cost centers. These cost centers are Source of Supply, Raw Water Transmission and Distribution, Water Treatment, Treated Water Transmission and Distribution, and Administration and General. Amounts budgeted within each cost center are shown in individual sections.

A potential construction appropriation of $250,000 is budgeted in the Source of Supply Cost Center. This appropriation provides funds which may be used to purchase parcels of land at District reservoirs which cannot be developed due to landslide activity.



WATER UTILITY ZONES

REVENUE SUMMARY

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Cash Beginning of Year	$ 9,514,593	9,767,384	4,388,777	8,857,982	8,857,982
Revenue Sources					
Property Taxes	3,301,149	3,787,394	4,250,463	4,925,799	4,825,358
Interest	843,574	731,013	650,000	622,770	622,770
Agreements and Advances			3,501,750	1,516,000	1,516,000
Groundwater Charges	3,870,410	3,788,334	4,408,900	4,931,912	4,931,912
Surface Water Charges	92,100	87,294	120,650	120,500	120,500
Treated Water Sales	3,722,108	3,965,032	4,575,448	4,695,000	4,695,000
Coyote Cabins	8,545				
Miscellaneous	65,110	67,183	35,000	35,000	35,000
Total Revenue	11,902,996	12,426,250	17,542,211	16,846,981	16,746,540
Total	$21,417,589	22,193,634	21,930,988	25,704,963	25,604,522

OUTLAY SUMMARY

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Total Program Outlay	$ 9,151,860	11,000,965	16,076,188	18,990,630	18,990,630
Debt Service	2,498,345	2,502,666	2,508,828	2,510,256	2,510,256
Total Expenditures	11,650,205	13,503,631	18,585,016	21,500,886	21,500,886
Reserves and Contingency Approp.	9,767,384	8,690,003	3,345,972	4,204,077	4,103,636
Total Expenditures and Reserves	$21,417,589	22,193,634	21,930,988	25,704,963	25,604,522

COST CENTER EXPENDITURE SUMMARY

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Source of Supply	$4,297,035	6,194,539	5,510,791	7,269,553	7,269,553
Raw Water T & D	1,460,451	1,805,524	2,562,579	2,235,895	2,235,895
Water Treatment	2,438,066	1,872,996	2,315,930	2,471,139	2,471,139
Treated Water T & D	259,744	378,214	4,688,707	5,508,963	5,508,963
Administration and General	696,564	749,692	998,181	1,505,080	1,505,080
Total	$9,151,860	11,000,965	16,076,188	18,990,630	18,990,630

PROGRAM EXPENDITURE SUMMARY

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Administration	$ 921,506	910,245	1,299,509	1,680,766	1,680,766
Planning	442,824	628,905	775,235	935,897	935,897
Construction	1,725,159	2,230,777	6,011,731	8,260,579	8,260,579
Maintenance	984,484	1,452,919	1,598,146	1,513,982	1,513,982
Operations	5,077,887	5,778,119	6,391,567	6,599,406	6,599,406
Total	$9,151,860	11,000,965	16,076,188	18,990,630	18,990,630

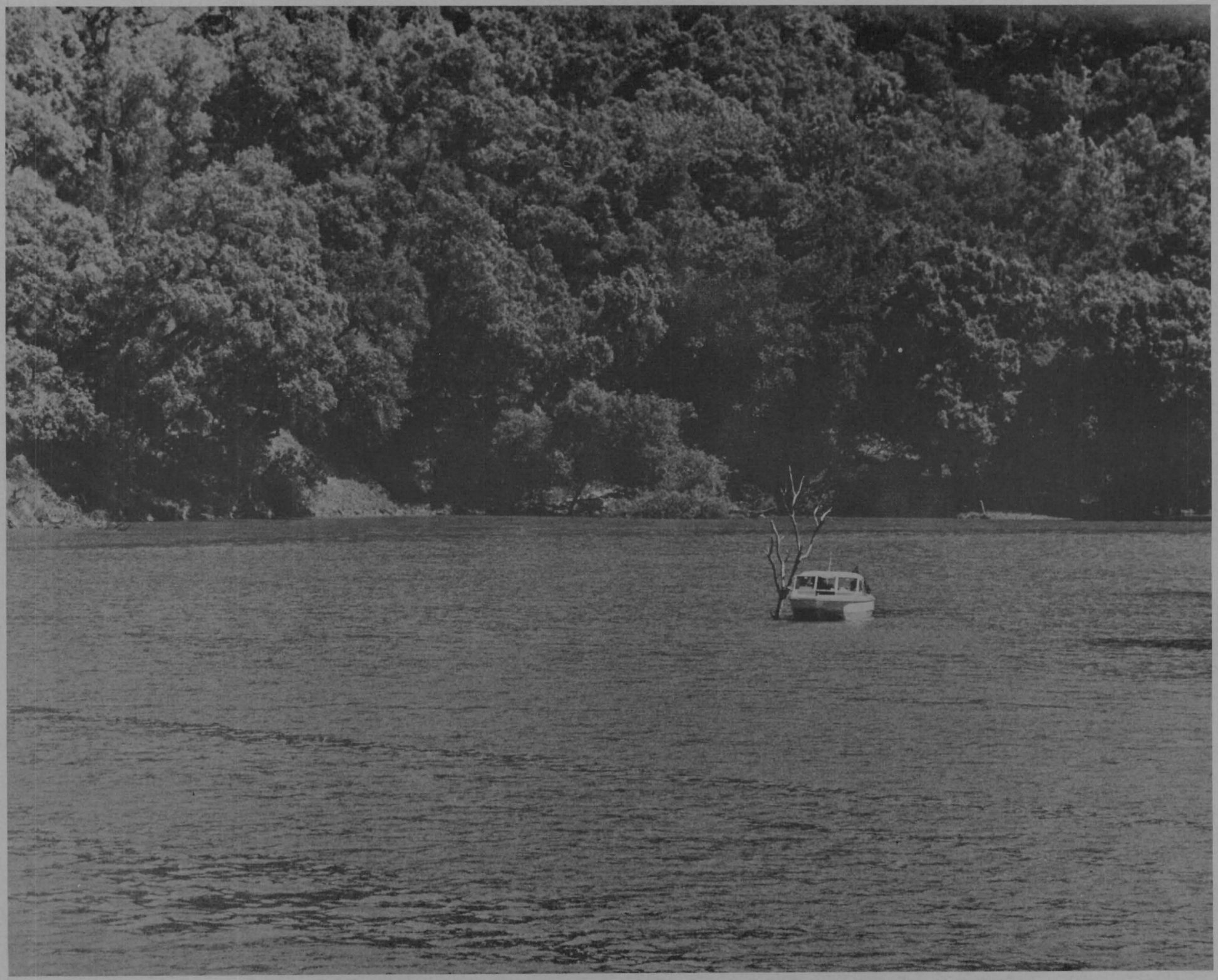
WATER RATE SUMMARY

	1974-75	1975-76	1976-77	1977-78
Groundwater				
Agricultural	$ 8.00	8.00	8.50	8.50
Nonagricultural	30.00	30.00	34.00	34.00
Treated Water				
Contract (Scheduled)	65.00	65.00	75.00	75.00
Non-Contract	38.00	41.00	45.00	46.00
Untreated Water (Surface & Contract)				
Agricultural	8.00	8.00	8.50	8.50
Nonagricultural	30.00	30.00	34.00	34.00
Water Master	4.00	4.00	5.50	5.75
Power (Evergreen System)	5.75	5.75	8.50	18.50
Minimum Charge	20.00	20.00	26.00	26.00
W-3 (Water Master Only)	4.00	4.00	5.50	5.75
Power for Distribution (SCVWD Recl. Fac.)	-	-	-	2.00

The above rates, except for "Minimum Charge", are related to acre-feet of water.

WATER UTILITY TAX REVENUE SUMMARY

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Water Fund					
Secured	$2,511,817	2,894,755	3,217,235	3,733,221	3,650,046
Unsecured	47,091	60,939	64,387	67,306	71,326
Delinquent	23,944	11,795	35,000	47,186	47,186
Total	2,582,852	2,967,489	3,316,622	3,847,713	3,768,558
Zone W-3					
Secured	87,506	90,925	123,074	140,920	137,809
Unsecured	7	49	80	91	69
Delinquent	1,721	5,476	7,000	6,910	6,910
Total	89,234	96,450	130,154	147,921	144,788
Zone W-4					
Secured	609,043	700,092	779,476	900,831	881,736
Unsecured	11,307	15,019	15,570	16,531	17,463
Delinquent	5,389	4,749	6,000	9,822	9,822
Total	625,739	719,860	801,046	927,184	909,021
CSCVWCD					
Secured	3,054	3,233	2,638	2,708	2,721
Unsecured	203	232	3	5	2
Delinquent	67	130		268	268
Total	3,324	3,595	2,641	2,981	2,991
TOTAL ALL FUNDS	$3,301,149	3,787,394	4,250,463	4,925,799	4,825,358



SOURCE OF SUPPLY

BACKGROUND INFORMATION

The Source of Supply Cost Center is one of five cost centers which make up the Water Utility Enterprise. This Cost Center contains all expenditures relating to obtaining and producing a supply of water including all conservation and importation costs.

SUMMARY BY PROGRAM

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Administration	$ 681,793	624,309	767,793	974,931	974,931
Planning	84,086	258,269	243,775	153,290	153,290
Construction	184,010	1,294,269	319,302	1,862,669	1,862,669
Maintenance	127,450	348,557	250,717	243,847	243,847
Operations	3,219,696	3,669,135	3,929,204	4,034,816	4,034,816
Total	$4,297,035	6,194,539	5,510,791	7,269,553	7,269,553

Administration Program

This program includes Ordinance Administration, Replacement Reserve, Insurance, Administrative Projects, In-County Credit, Water Rights, State Water Project, Federal Water Project, Water Conservation Project and the Hetch Hetchy Water Project. The budget amounts for fiscal year 1977-78 reflect an increase of $207,138 compared to the preceding year. This increase is due to substantial increases in Ordinance Administration required to administer the District's Well Sealing and Construction Standard Ordinance 75-6; the Insurance Project which shows an increase of approximately $11,000; Administrative Projects required to support increased Advanced Planning activity for the cost center; In-County Credit which shows substantial increases due to revised water use figures and an increase in assessed valuation; State Water Project to provide increased liaison coordination activities with the State of California; and in the Water Conservation Project to provide increased public awareness regarding water savings devices and procedures and to encourage voluntary water conservation.

Planning Program

Funds budgeted in this program provide for various planning activities, preparation of hearing plans and environmental impact reports. Planning projects are:

Effects of Urbanization Study — $13,684

This project provides for the sixth year of a ten-year cooperative study being conducted by the U. S. Geological Survey. The study will provide information on the effects of urbanization on the water quality and the quantity produced from a watershed. This information will be used in the analysis and evaluation of grading ordinances, channel design and water supplies as they relate to increased urbanization. 50 percent of the cost of the U. S. Geological Survey effort is paid by the District.

Saltwater Intrusion Study — $54,384

This project provides for a monitoring system and analysis of data collected to determine the severity of saltwater contamination and its sources in the shallow aquifers around south San Francisco Bay. This project also provides for review of alternative methods to reduce or eliminate this intrusion. A continuing program to monitor and analyze saltwater intrusion problems will be established.

Groundwater Tracer Study — $1,341

This project provides for a cooperative effort with the U. S. Geological Survey to attempt to trace the movement of imported water in the vicinity of Penitencia Creek using natural occurring isotopes of oxygen and hydrogen. The purpose of the project is to provide an adequate means of evaluating the District's groundwater recharge program.

Dams and Reservoirs - General — $12,246

This project provides for foundation drilling and investigation at the Los Osos Dam site as part of the Corps of Engineers Study of Coyote Creek.

Reservoir Landslide Investigation — $36,941

This project is a continuation of the monitoring and study of potential landslides at District reservoirs. The project includes the possible installation of additional instrumentation, consulting services, evaluation and risk analysis to determine the most potentially dangerous landslide areas and to take necessary remedial action.

Coyote Dam and Reservoir $21,240

This project provides for an investigation of the spillway at Coyote Dam. In fiscal year 1976-77, investigation had been undertaken on the slide area on the right abutment of Coyote Dam. This investigation indicated a need for further study on the spillway.

Lexington Dam and Reservoir $13,454

This project provides for a comprehensive limnological investigation of Lexington Reservoir and its surrounding areas. The purpose is to establish baseline water quality and make recommendations for a system of regular monitoring for early detection of potential water quality degradation.

Construction Program

This program provides funds for the acquisition and construction of new physical assets or the substantial improvement to the life or value of current physical assets. The budgeted amount of $1,862,669 includes the following projects:

Santa Clara Valley Water District Reclamation Facility $1,136,525

This project provides for completion of construction of the well field at the Santa Clara Valley Water District Reclamation Facility as well as completing the necessary control systems to operate the facility. The purpose of this project is to provide an underground salinity barrier at the bayfront and to develop advanced knowledge of wastewater treatment.

Small Equipment Replacement $5,000

This project provides for the major repair and/or replacement of equipment in the Water Utility which is not covered by the Replacement Reserve.

Anderson Dam and Reservoir $269,515

This project provides for engineering services to monument property that may be acquired by the District adjacent to Anderson Reservoir. Funds are also included to provide for the purchase of such property.

Coyote Dam and Reservoir $434,902

This project provides for the construction contract to repair the slide area on the right abutment of the spillway at Coyote Dam.

Lexington Dam and Reservoir $16,727

This project provides for retracing and monumenting the District boundary on the westerly and southerly sides of Lexington Reservoir.

Potential Construction $250,000

Potential construction funds are provided for potential acquisition of landslide areas around reservoirs.

Maintenance Program

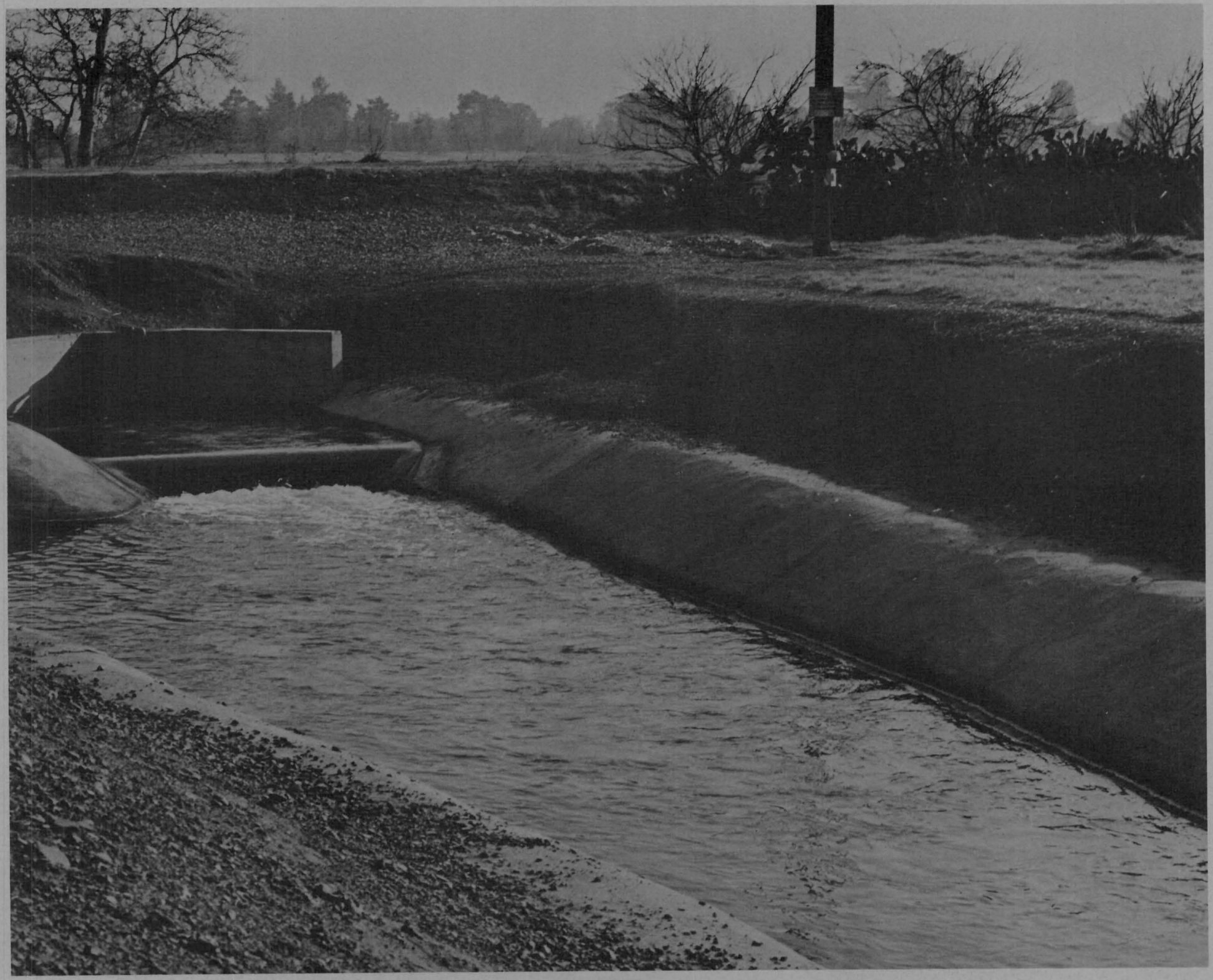
Funds budgeted in this program show a decrease of $6,870 compared to the preceding year. The funds budgeted provide for normal maintenance requirements within the Cost Center. A special maintenance project was initiated in 1975-76 to determine the dynamic seismic safety of the District's dams. This is a continuing project that has been required by the Division of Safety of Dams. In addition, a special maintenance project is included this fiscal year to provide for maintenance of the Reclamation Facility at Palo Alto.

Operations Program

The funds budgeted in this program reflect a $105,612 or 3 percent increase compared to the preceding year. The funds provide for normal inspection and operation of the District's dams and reservoirs and for the purchase of the necessary water from the State Water Project. Funds are included for the purchase of 88,000 acre-feet of scheduled water and 12,000 acre-feet of nonscheduled water. The program also contains funds in the amount of $70,706 to operate the weather modification program. Funds are also budgeted to provide for the operation of the Santa Clara Valley Water District Water Reclamation Facility at Palo Alto. The increase in budgeted amount can be attributed to this facility in its first year of partial operation.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM					Project Totals
	Administration	Planning	Construction	Maintenance	Operations	
Ordinance Administration	$ 118,836					118,836
Replacement Reserve	7,013					7,013
Effects of Urbanization Study		13,684				13,684
Saltwater Intrusion Study		54,384				54,384
Groundwater Tracer Study		1,341				1,341
Insurance	22,000					22,000
Administrative Projects	51,252					51,252
In-County Credit	528,014					528,014
Dams & Reservoirs-General		12,246		75,057		87,303
Water Rights	9,082					9,082
State Water Project	49,511					49,511
Federal Water Project	87,288					87,288
Water Conservation Project	94,500					94,500
Reservoir Landslide Investi.		36,941				36,941
SCVWD Reclamation Facility			1,136,525	21,976	272,274	1,430,775
Hetch Hetchy Water Project	7,435					7,435
Weather Modification					70,706	70,706
Small Equipment Replacement			5,000			5,000
Source of Supply-Maintenance				146,814		146,814
Source of Supply-Operations					3,691,836	3,691,836
Anderson Dam & Reservoir			269,515			269,515
Coyote Dam & Reservoir		21,240	434,902			456,142
Lexington Dam & Reservoir		13,454	16,727			30,181
Total	$ 974,931	153,290	1,862,669	243,847	4,034,816	7,269,553



RAW WATER TRANSMISSION & DISTRIBUTION

BACKGROUND INFORMATION

The Raw Water Transmission and Distribution Cost Center is the second of five cost centers within the Water Utility Enterprise. This Cost Center contains all expenditures relating to the distribution of raw water. The distribution system consists of pipelines, canals and percolation ponds and includes the use of creek systems.

SUMMARY BY PROGRAM

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Administration	$ 80,615	91,583	135,314	186,835	186,835
Planning	3,652	21,839	50,627	25,692	25,692
Construction	481,057	610,071	1,106,899	883,866	883,866
Maintenance	443,561	593,336	737,150	593,045	593,045
Operations	451,566	488,695	532,589	546,457	546,457
Total	$1,460,451	1,805,524	2,562,579	2,235,895	2,235,895

Administration Program

This program includes Ordinance Administration, Replacement Reserve, Insurance and Administrative Projects. The budgeted amount of $186,835 reflects an increase of $51,521 compared to the preceding year. This increase is due primarily to increased activity in the Ordinance Administration area, increases in the Replacement Reserve and increases in the Insurance Project within this Cost Center.

Planning Program

Funds budgeted in this program provide for various planning studies, preparation of hearing plans and environmental impact reports. The budgeted amount of $25,692 provides for the following projects:

Raw Water Distribution - General $9,766

This project provides for a continuing study to determine locations for additional off-stream percolation facilities.

Saratoga Percolation System $15,926

This project provides for the completion of an investigation of County lands which may be used for groundwater recharge facilities. The project location is adjacent to Saratoga Creek and includes the reach from Prospect Road to Stevens Creek Boulevard. Public hearings will be held in the area to determine opinions of local residents.

Construction Program

This program provides for the acquisition or construction of new physical assets or the substantial improvement to the life or value of current physical assets. The budgeted amount of $883,866 includes the following projects:

Vasona Pump Station $781,307

This project provides for completion of construction of an emergency supplemental water supply system at the existing Vasona Pump Station. The project will provide an emergency water supply to the water treatment plants in the event of a failure of the water import system.

Control System - Raw Water $19,138

This project provides for an evaluation of the requirements to improve monitoring and control of the raw water distribution system.

Camden Percolation System $7,535

This project provides for landscaping the Camden Percolation Facility in the City of Campbell.

Page Percolation System $8,281

This project provides for the design of landscaping for the Page Percolation System in the vicinity of Winchester and Sunnyoaks Boulevards in the City of Campbell.

Penitencia Percolation System $10,905

This project provides for completion of construction of a new diversion of Upper Penitencia Creek water to the Upper Penitencia percolation ponds.

Budd Avenue Percolation Ponds $32,549

This project provides for the completion of design and the construction of landscape improvements around Budd Avenue groundwater recharge ponds.

Sunnyoaks Percolation Ponds $9,497

This project provides for the design of landscaping for the Sunnyoaks Percolation Ponds at Waldo Avenue in the City of Campbell.

Small Equipment Replacement $5,000

This project provides for the major repair and/or replacement of equipment which is not covered by the Replacement Reserve.

Coyote-Madrone Distribution System $9,654

This project provides for completion of construction of the Coyote-Madrone Distribution System. This project is located on Half Road in the Morgan Hill area and extends from the Madrone Channel to Coyote Road.

Maintenance Program

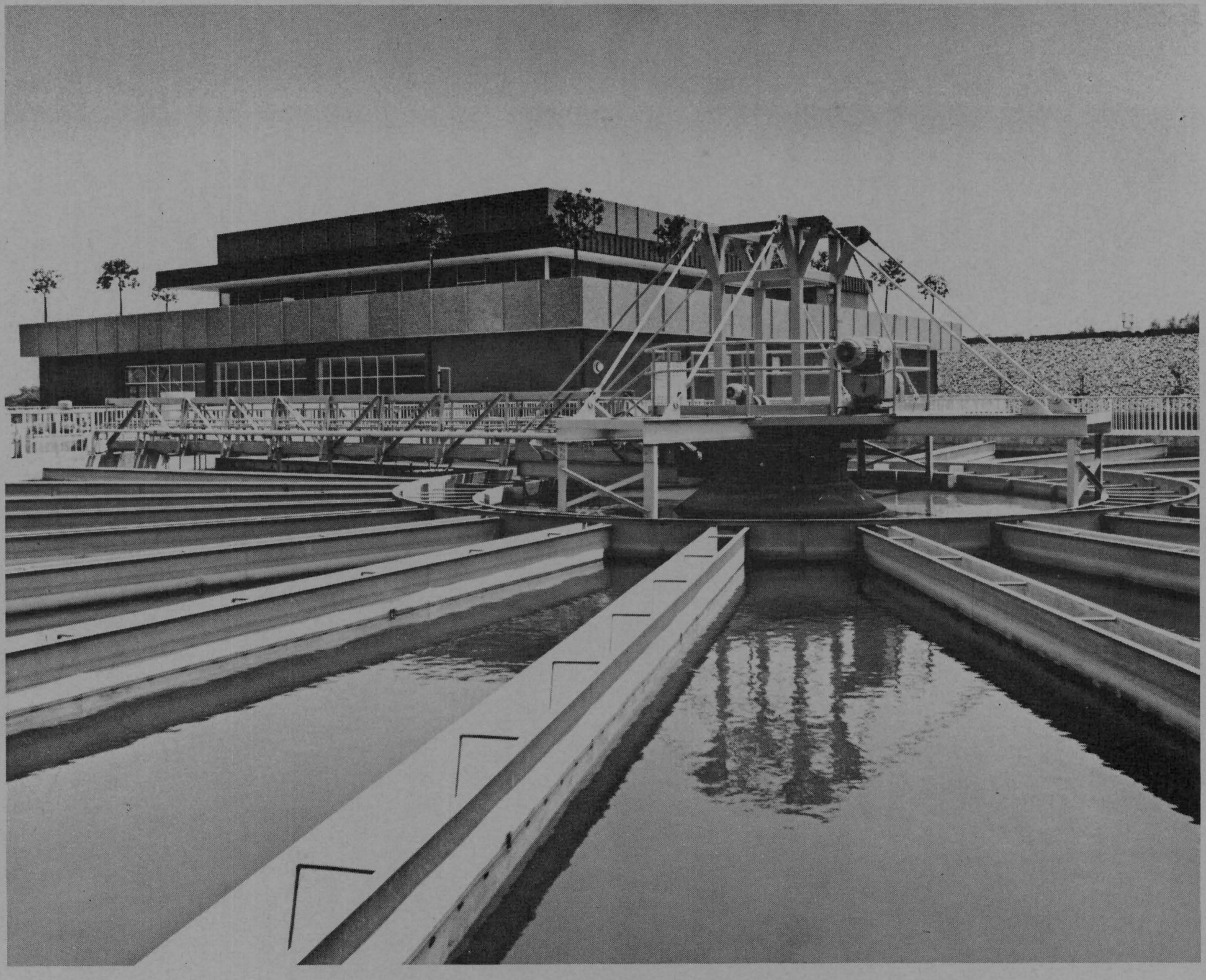
Funds budgeted in this program reflect a $144,105 or 19 percent decrease compared to the preceding year. The funds provide for normal maintenance requirements within the Cost Center. No special maintenance projects are anticipated during the 1977-78 budget year.

Operations Program

Funds budgeted in this program reflect a $13,868 or 3 percent increase compared to the preceding year. The funds provide for normal operation of the Raw Water Distribution System. No unusual or special operating costs are anticipated during the 1977-78 budget year.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM: Administration	Planning	Construction	Maintenance	Operations	Project Totals
Ordinance Administration	$ 77,079					77,079
Replacement Reserve	78,149					78,149
Insurance	13,500					13,500
Administrative Projects	18,107					18,107
Raw Water Distribution-General		9,766				9,766
Vasona Pump Station			781,307			781,307
Saratoga Percolation System		15,926				15,926
Control System-Raw Water			19,138			19,138
Camden Percolation System			7,535			7,535
Page Percolation System			8,281			8,281
Penitencia Percolation System			10,905			10,905
Water Control System				22,183	71,699	93,882
Budd Avenue Percolation Ponds			32,549			32,549
Sunnyoaks Percolation Ponds			9,497			9,497
Small Equipment Replacement			5,000			5,000
Raw Water T&D-Maintenance				570,862		570,862
Raw Water T&D-Operations					474,758	474,758
Coyote-Madrone Distribution Sys.			9,654			9,654
Total	$ 186,835	25,692	883,866	593,045	546,457	2,235,895



WATER TREATMENT

BACKGROUND INFORMATION

The Water Treatment Cost Center is the third of five cost centers in the Water Utility Enterprise. This Cost Center contains all expenditures associated with the purification of water at the Rinconada Water Treatment Plant and the Penitencia Water Treatment Plant. The expiration date of the current five-year rate period for treated water is June 30, 1981.

SUMMARY BY PROGRAM

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Administration	$ 16,172	15,956	105,501	181,709	181,709
Planning	124			9,597	9,597
Construction	991,308	173,818	187,617	272,404	272,404
Maintenance	356,124	457,779	524,508	580,517	580,517
Operations	1,074,338	1,225,443	1,498,304	1,426,912	1,426,912
Total	$2,438,066	1,872,996	2,315,930	2,471,139	2,471,139

Administration Program

This program contains a Replacement Reserve and an Insurance Project. The budgeted amount of $181,709 reflects a $76,208 increase compared to the preceding year. The increase is due to substantial increases in the Risk Management Program and the Replacement Reserve. The Replacement Reserve has been increased due to the inclusion of several additional assets in the Replacement Reserve.

Planning Program

Funds budgeted in this program provide for the investigation of potential electric power costs at the Rinconada and Penitencia Water Treatment Plants based on the "time of day" pricing schedules and the economic evaluation of alternative power sources. This is a new project for 1977-78. The budgeted amount of $9,597 will provide for this study.

Construction Program

This program provides funds for the acquisition or construction of new physical assets or the substantial improvement to the life or value of current physical assets. The budgeted amount of $272,404 includes the following projects:

Penitencia Water Treatment Plant $18,915

This project provides for completion of construction of a small warehouse and loading dock at the Penitencia Water Treatment Plant. Also included is funding to provide for the replacement of the existing chlorine analyzer and other small equipment items which are not included in the Replacement Reserve.

Rinconada Water Treatment Plant $194,902

This project provides for the replacement of the existing filter media with new media which will allow a potential increase of 20 million gallons a day. Also included is funding for the replacement of spectro-photometer equipment and other items which are not covered in the Replacement Reserve. The project also includes minor funding to provide for the completion of the mural and map walls at the Rinconada Water Treatment Plant in connection with the Public Information Program.

Control System - Rinconada Water Treatment Plant $53,587

This project provides for the upgrading of control system elements at the treatment plant. In fiscal year 1977-78, the logic rack and the analog to digital converter will be replaced. This will provide greater reliability and provide for future expansion of the control systems.

Small Equipment Replacement $5,000

This project provides for the major repair and/or replacement of equipment in the Water Utility which is not covered by the Replacement Reserve.

Maintenance Program

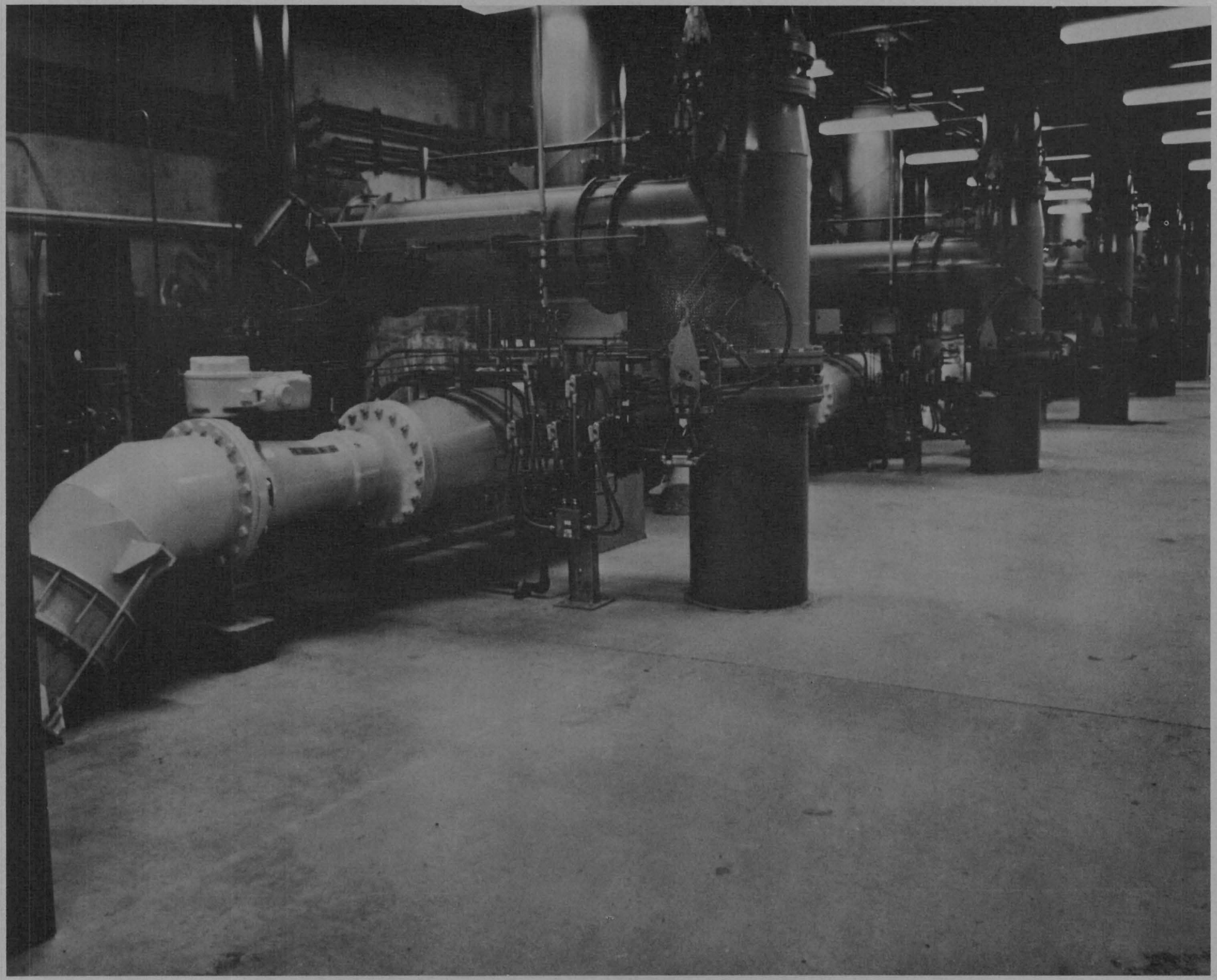
Funds budgeted in this program provide for normal maintenance requirements within the Cost Center. An increase of $56,009 is due partially to inflationary trends and partially to an increased level of maintenance effort required at the Rinconada Water Treatment Plant and the Penitencia Water Treatment Plant.

Operations Program

Funds budgeted in this program provide for the normal operation of two water treatment plants. A $71,392 or 5 percent decrease in the cost of this program is due primarily to a reduction in the amount of budgeted labor. This is due to the transfer of personnel from the Operations Division to the Maintenance Division.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM					Project Total
	Administration	Planning	Construction	Maintenance	Operations	
Replacement Reserve	$ 144,409					144,409
Planned Study-Power Analysis		9,597				9,597
Insurance	37,300					37,300
Penitencia WTP			18,915			18,915
Rinconada WTP			194,902			194,902
Control System RWTP			53,587			53,587
Water Control System				61,890	83,648	145,538
Small Equipment Replacement			5,000			5,000
Water Treatment-Maintenance				518,627		518,627
Water Treatment-Operations					1,343,264	1,343,264
Total	$ 181,709	9,597	272,404	580,517	1,426,912	2,471,139



TREATED WATER TRANSMISSION & DISTRIBUTION

BACKGROUND INFORMATION

This Cost Center is the fourth of five cost centers within the Water Utility Enterprise. This Cost Center contains all expenditures relating to the distribution of treated water to retail customers and includes cost associated with the treated water reservoirs, pumping systems, pipelines and turnouts.

SUMMARY BY PROGRAM

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Administration	$ 30,008	34,404	77,468	110,848	110,848
Planning	319				
Construction	65,384	150,659	4,397,913	5,108,872	5,108,872
Maintenance	57,349	53,247	65,771	96,573	96,573
Operations	106,684	139,904	147,555	192,670	192,670
Total	$ 259,744	378,214	4,688,707	5,508,963	5,508,963

Administration Program

This program includes Ordinance Administration, Replacement Reserve, Insurance and Administrative Projects. An increase of $33,380 is shown compared to the preceding year. This increase is due to slight increases in labor in the Ordinance Administration Project and to significant increases in the Replacement Reserve and the Insurance Project. The Replacement Reserve has been increased due to the addition of several items pertaining to the Supervisory Control System within this Cost Center.

Construction Program

This program provides for the acquisition or construction of new physical assets or the substantial improvement to the life or value of current physical assets. The budgeted amount of $5,108,872 provides for the following projects:

West Reservoir $496,263

This project provides for the construction of a treated water reservoir near the West Pipeline. Funds are budgeted for site analysis and land acquisition in fiscal year 1977-78.

East Pipeline $1,244,399

This project provides for the construction of a pipeline connecting the East Reservoir with the East Pipeline. In fiscal year 1977-78 scheduled work includes the completion of plans and specifications and the initiation of construction of the pipeline.

East Reservoir $3,270,589

This project provides for the construction of a treated water reservoir along the East Pipeline Distribution System. During fiscal year 1977-78 scheduled work includes the completion of plans and specifications and the beginning of construction of the reservoir. The reservoir and the extension of the pipeline are required to supply water during peak demand periods to the City of San Jose and San Jose Water Works.

West Pipeline $30,659

This project provides for the purchase and installation of five meters at Vallco, Farndon, Granger, Cupertino and Sunnyvale treated water turnouts on the West Pipeline.

Control System-Treated Water $61,962

This project provides for the continuing implementation of more accurate westside flow meters and the purchase of five additional digital telemetry stations. This work is in accordance with the long-range plan to upgrade and provide expansion capability to the District's Supervisory Control System.

Small Equipment Replacement $5,000

This project provides for the major repair and/or replacement of equipment in the Water Utility which is not covered by the Replacement Reserve.

Maintenance Program

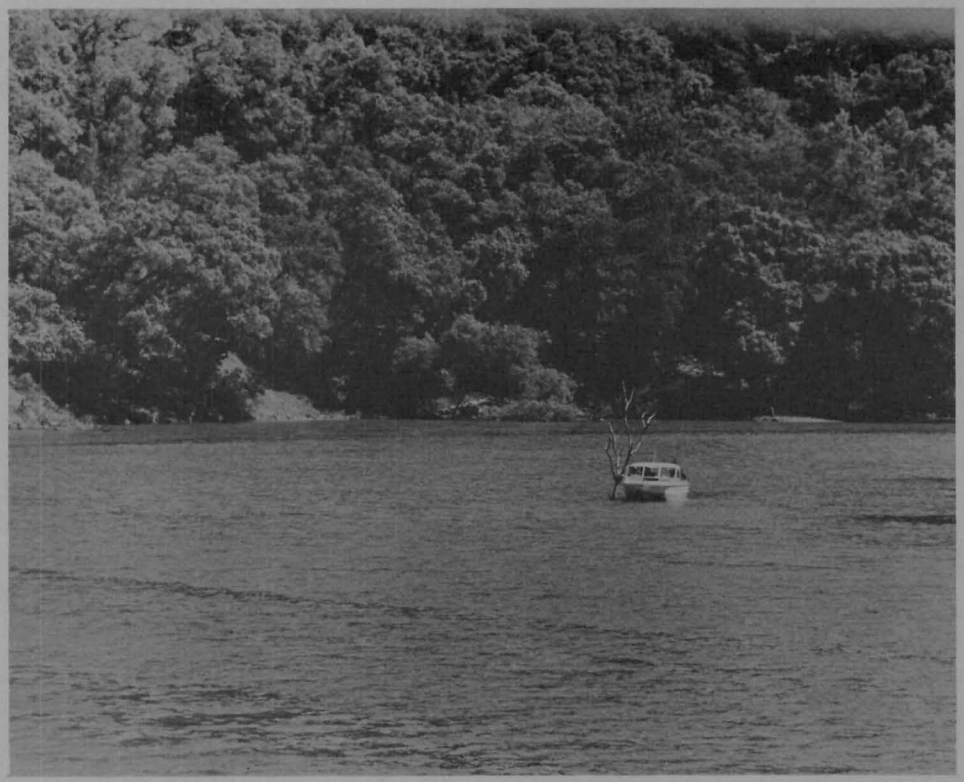
Funds budgeted in this program provide for normal maintenance requirements within the Cost Center. This project reflects a $30,802 or 47 percent increase compared to the preceding year. The increase in budgeted amounts is due primarily to the increased maintenance demands of over 30.8 kilometers (19.1 miles) of treated water transmission lines.

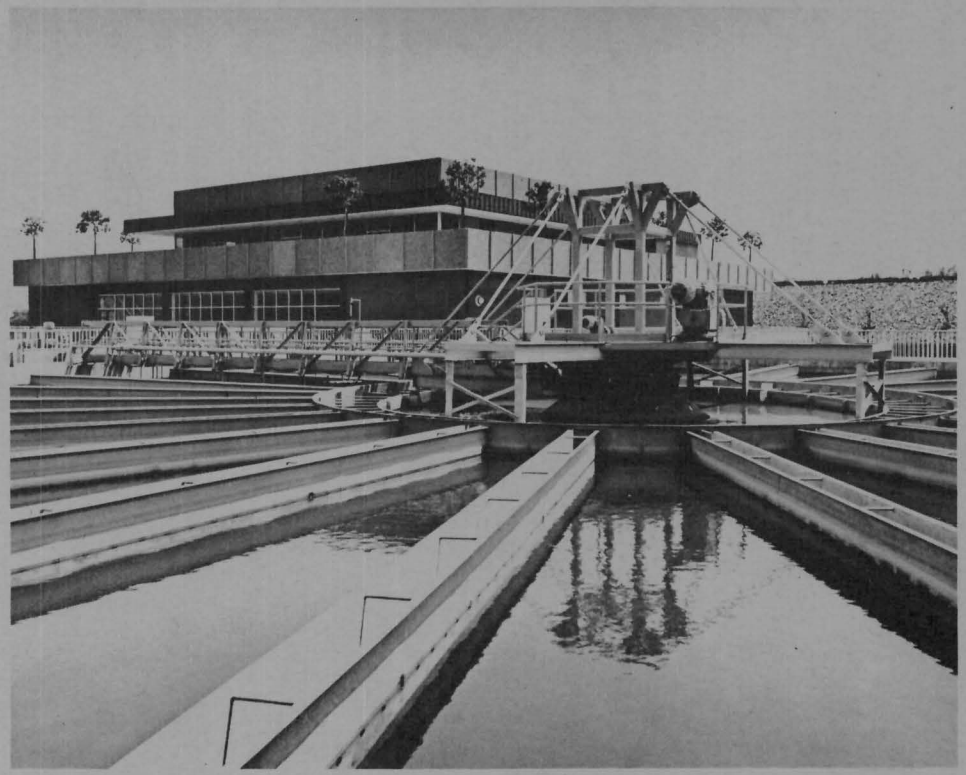
Operations Program

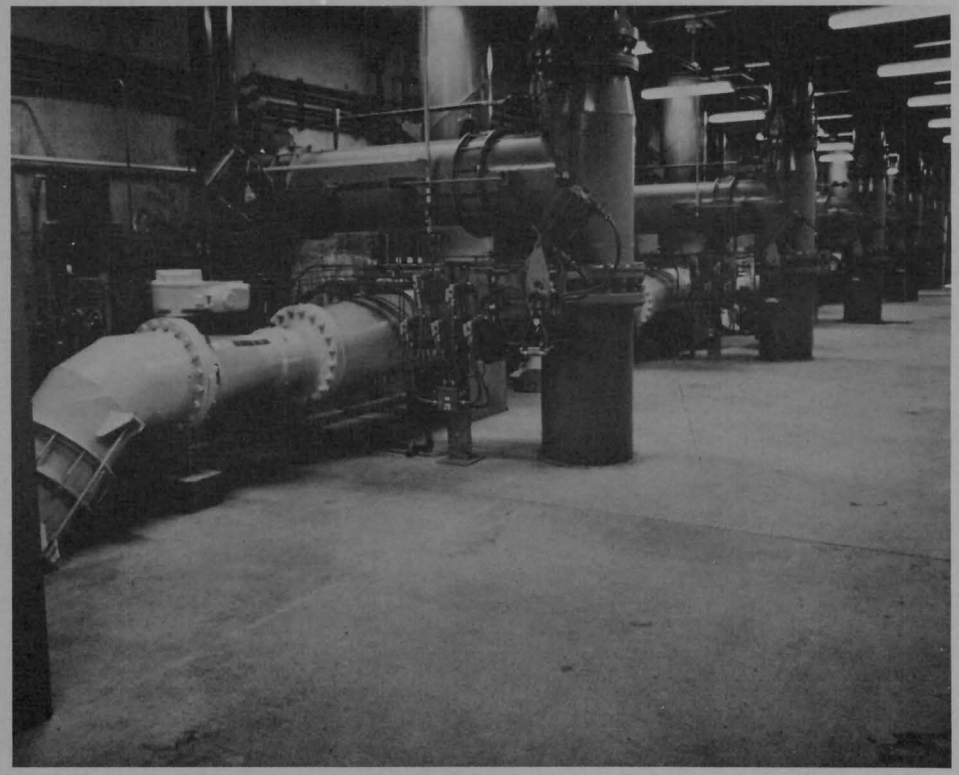
Funds budgeted in this program provide for normal operation of the Treated Water Distribution System. This program reflects a $45,115 or 30 percent increase compared to the preceding year. This increase is due primarily to substantial increases in the cost of utilities. The Public Utilities Commission has mandated that PG&E implement a "time of day" pricing policy. The peak demand by water users during the peak or near peak power demand periods causes substantial increase in the cost of utilities based on the "time of day" pricing schedules.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM Administration	Planning	Construction	Maintenance	Operations	Project Totals
Ordinance Administration	$ 32,250					32,250
Replacement Reserve	56,876					56,876
Insurance	13,000					13,000
Administrative Projects	8,722					8,722
West Reservoir			496,263			496,263
East Pipeline			1,244,399			1,244,399
East Reservoir			3,270,589			3,270,589
West Pipeline			30,659			30,659
Control System-Treated Water			61,962			61,962
Water Control System				32,698	43,818	76,516
Small Equipment Replacement			5,000			5,000
Treated Water T&D-Maintenance				63,875		63,875
Treated Water T&D-Operations					148,852	148,852
Total	$ 110,848		5,108,872	96,573	192,670	5,508,963







ADMINISTRATION AND GENERAL

BACKGROUND INFORMATION

This is the fifth cost center in the Water Utility Enterprise. It contains all expenditures of an administrative and planning nature which cannot be properly assigned to one of the other four cost centers. These costs include those related to the collection of groundwater charges, pricing analysis, financial and cash flow studies, preparation of required annual reports, general water management planning and similar related activities.

SUMMARY BY PROGRAM

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Administration	$ 112,918	143,993	213,433	226,443	226,443
Planning	354,643	348,797	480,833	747,318	747,318
Construction	3,400	1,960		132,768	132,768
Maintenance			20,000		
Operations	225,603	254,942	283,915	398,551	398,551
Total	$ 696,564	749,692	998,181	1,505,080	1,505,080

Administration Program

This program includes Insurance, Administrative Projects and the Water Revenue Collection Projects. The budgeted amount of $226,443 reflects a 6 percent increase compared to the preceding year. This increase is due primarily to an increase in the Risk Management Program and to increases in the Administrative Projects.

Planning Program

Funds budgeted in this program provide for various planning and special study projects that are not clearly identifiable to one of the other cost centers in the Water Utility Enterprise. Planning projects are:

Master Plan Automation Study $49,562

This project provides for the investigation of automation of more District facilities. The dams, canals, Evergreen Pumping Plant and groundwater recharge facilities will be studied to determine the feasibility of providing automated controls. Reservoir releases, canal flows, streamflow diversion and recharge pond levels will also be studied to determine the feasibility of implementing automated controls in future years.

Financial and Cash Flow Study $108,263

This program provides for the continuing evaluation of the effects of various operations, maintenance and construction project alternatives on the Water Utility's financial cash flow position. It also provides for the preparation of the annual financial analysis of the Water Utility. Included in 1977-78 are additional amounts to provide for preparation of applications for a PL 130 loan through the Bureau of Reclamation.

Annual Water Supply Balance $26,109

This project provides for an analysis of the groundwater conditions of the preceding year and the preparation of a report summarizing the findings. The analysis consists of an overall hydrologic balance to determine the net surplus or deficit in groundwater supply and changes in storage. Also included will be information on subsidence, salt-water contamination and water quality.

Water Reclamation Studies $235,472

This project provides for a continuing study and analysis of the feasibility of reusing reclaimed wastewater to meet a portion of the water needs of Santa Clara County. Studies during this fiscal year will focus on an evaluation of the SCVWD Reclamation Facility at Palo Alto and on an evaluation of potential for wastewater reclamation plants at Milpitas, San Jose-Santa Clara and Gilroy as possible sources of supply for agricultural and other water uses. A cooperative study with the Department of Water Resources to determine the feasibility of large scale reuse in Santa Clara County will also be undertaken.

Groundwater Model $41,018

This project provides for the maintenance, updating and calibration of the groundwater models developed by the Department of Water Resources and the application of these models for planning purposes. These models have been used in fiscal year 1976-77 to aid in the prediction of the effects of the continued drought conditions and contingency operations.

Water Resources Master Planning $255,463

This is a continuing review of the prospective water demands of the various sources of supply including reclaimed water and the optimal methods of distributing the total supply to meet the demand. This study will provide the District with information on which both short-term and long-term decisions can be made. The project will also aid in the

development of a five-year construction plan for the District's water supply facilities. In addition, operational studies will be undertaken using the mathematical models of the water distribution system and the groundwater basins to help formulate an optimum combined ground and surface water system.

Water Quality Studies $31,431

This is a continuing program of water quality evaluation of both surface and groundwater supplies. The project is composed of two parts. The first part is a general project to do short-term problem-related water quality studies. The second part is a continuing study with the State Department of Water Resources and the U.S. Geological Survey to establish a water quality monitoring network. It will define the surface and groundwater characteristics, identify problem areas and evaluate the potential future quality of water supplies.

Construction Program

This program provides for the acquisition or construction of new physical assets or the substantial improvement to the life or value of current physical assets. The budgeted amount of $132,768 provides for the following new project:

Groundwater Monitoring $132,768

This project provides funds to construct monitoring wells for groundwater quality and level in the northern Santa Clara Valley. Existing wells, if available, will be utilized. After analyzing the available existing wells, additional well sites will be identified. Only a small number of wells will be constructed each year until the network is complete.

Operations Program

Funds budgeted in this program reflect a $114,636 or a 40 percent increase compared to the previous year. Funds provide for field surveillance of groundwater and surface water production facilities, operation of the meter test facility, and meter testing and repair activities. In 1977-78 this program also provides for the collection of surface and groundwater quality data and for the monitoring of depth to groundwater in the various groundwater basins in Santa Clara County.

PROGRAM SUMMARY BY PROJECT

Project	PROGRAM Administration	Planning	Construction	Maintenance	Operations	Project Totals
Master Plan Automation Study	$	49,562				49,562
Insurance	25,000					25,000
Administrative Projects	39,478					39,478
Water Revenue Collection	161,965					161,965
Water Measurement					270,974	270,974
Financial and Cash Flow Study		108,263				108,263
Annual Water Supply Balance		26,109				26,109
Water Reclamation Studies		235,472				235,472
Groundwater Model		41,018				41,018
Water Quality Monitoring					38,525	38,525
Groundwater Monitoring			132,768		89,052	221,820
Water Resources Master Planning		255,463				255,463
Water Quality Studies		31,431				31,431
Total	$ 226,443	747,318	132,768		398,551	1,505,080

DISTRICT

DIRECT COSTS

GOVERNMENTAL PROGRAM

FIXED ASSETS

DISTRIBUTED EXPENSES

ADMINISTRATION PROGRAM

SERVICES AND SUPPLIES

THE DISTRICT COST CENTER

The District Cost Center Budget is presented in two parts. The first part contains the budget for Direct Cost. Direct Cost consists of the Governmental Program and Fixed Assets. The second part contains the budget for Distributed Expense. Distributed Expense consists of the Administration Program and Services and Supplies.

The primary source of revenues to support the Direct Cost of the District Cost Center is obtained by the levy of a Districtwide administrative tax of $.019.

The reserves of the District Cost Center can be used to make loans to other cost centers as approved by the Board of Directors. A loan of $400,000 to the South Zone is required in 1977-78 to carry out necessary work being budgeted in the zone.

REVENUE SUMMARY

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Cash Beginning of Year	$2,935,258	3,439,130	3,257,121	3,984,576	3,984,576
Additional Sources					
Property Taxes	896,077	1,039,458	1,158,667	1,216,578	1,185,735
Interest	227,118	240,451	203,000	184,742	184,742
Agreements and Advances	215,719		437,963	218,505	218,505
Other	85,795	167,368		7,100	7,100
Total Additional Sources	1,424,709	1,447,277	1,799,630	1,626,925	1,596,082
Total Cash Available	$4,359,967	4,886,407	5,056,751	5,611,501	5,580,658

OUTLAY SUMMARY

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Governmental Program	$ 712,675	1,271,864	1,024,977	1,159,493	1,159,493
Fixed Assets	208,162	254,597	422,156	348,384	348,384
Loan to South Zone				400,000	400,000
Total Expenditures	920,837	1,526,461	1,447,133	1,907,877	1,907,877
Reserves	3,439,130	3,359,946	3,609,618	3,703,624	3,672,781
Total	$4,359,967	4,886,407	5,056,751	5,611,501	5,580,658

Governmental Program

Projects within the Governmental Program are those which cannot be readily identified with Flood Control or Water Utility Cost Centers. They can be categorized as general type projects which support Districtwide activities. A comparative summary of expenditures in this program can be found in Exhibit 1, page 76.

Budgeted cost for fiscal year 1977-78 has increased $134,516 or 13.1 percent compared to the preceding year. This increase is due primarily to a substantial increase in labor in the Community Employment Project. This project includes 18 new CETA positions requested for fiscal year 1977-78. Projects included in the Governmental Program for 1977-78 are:

Basic Engineering — $62,090

This is a continuing project consisting of engineering research studies and analysis that result in improved engineering planning, design, construction, operation, and maintenance of future projects. This includes efforts in the area of the development of engineering standards and procedures manuals, the review and development of five-year schedules and longer periods for flood control and water supply planning and construction and review of project financing capabilities and goals. In addition, this project includes the development and documentation of computer programs of long-range benefit to the entire District. In fiscal year 1977-78, the project reflects a slight increase compared to the amount budgeted in fiscal year 1976-77.

Basic Data Collection $265,823

This project consists of collection of basic data items such as the amounts and distributions of precipitation, streamflow quantities, tide elevations, reservoir storage, evaporation, sedimentation within District reservoirs and items of a similar nature. These data are gathered for the purpose of creating an historical record which can be used by present and future generations in the analysis of District flood control and water supply problems. Emphasis will continue to be on more effective data collection programs to meet the needs of the District. This project reflects a decrease of $57,247 or 18 percent compared to the preceding year.

Flood Insurance Liaison Study $ 16,302

This project is a continuing program to provide for updating of flood maps for liaison with political jurisdictions relative to requirements of the Federal Flood Insurance Program and for dissemination of general information to all concerned with the program. The District works with local communities in the development of land use criteria in the floodplain areas and in their review of flood insurance rate studies.

MIDS Subsystem Study $ 20,000

This project provides for consulting services for completion of the detail design of the revenue component of the financial subsystem. Work will involve evaluation, conversion and implemental techniques, development of operating manuals, and transaction tests of specific programs to determine the adequacy and accuracy of the control procedures from an accounting and audit perspective.

Insurance Project $ 22,346

This project provides for an insurance reserve to meet the deductible amounts in the event of a loss, reimbursement cost of damage to District fixed assets that are not insured, and pay for additional premiums generated due to market fluctuations or adverse loss experience. Also provided for in this project is the labor necessary to manage the District's Risk Management Program.

Administrative Projects $328,820

This project provides for all time chargeable to District administrative work which cannot be directly related to a flood control cost center or a water utility cost center but rather has the benefit to the District as a whole. The following is a list of functions usually found within this basic project: Personnel Education and Training, Personnel Recruitment, Budget Preparation, Meetings, Real Estate Administration, Survey Administration, Administrative Analysis, Storm Patrol,. Updating of Manuals, Personnel Safety, Board Administrative Assistance and Geographic Names Study.

Basic Hydrology $ 17,971

This is a continuing project which consists of analysis of data collected under the Basic Data Collection Project. The analysis of the data will result in updating our current methods of computer design flood flows and determining optimum reservoir operation of our existing reservoir system.

Community Employment Projects $210,439

This project provides for District participation in community employment projects. These projects are usually on a shared-cost basis. The District is currently participating in the Community Employment and Training Act (CETA) through contracts with Santa Clara Valley Employment and Training Board and the City of Santa Clara.

Directors Fees and Expenses $ 53,500

This project provides for expenditures of members of the District's Board of Directors.

Legal Projects $ 40,354

This project provides for the legal services of the District and for other legal costs which cannot be directly charged to a specific scope of work in the Flood Control Zone Cost Centers or the Water Utility Cost Centers.

Public Education $ 96,031

This project provides for the operation and management of a Districtwide program of public information and education. Activities include: preparation of information

displays, brochures, periodic publications for internal and external informational use, provide for tours of District facilities, manage and promote the Speakers Bureau, participate in the County Fair, conduct liaison work with film production, advertising, graphics and public relation consultants for services related to the District's overall public information requirements, provide public information advice and consultation to other District Managers and Units and provide written and graphic communication to other District Units. This project also provides for the development of a demonstration garden which will be used as a public informational area to introduce the public to water-conserving landscapes.

Environmental Analysis $ 22,542

This project provides for review and formal comment on environmental impact reports submitted to the District by outside agencies and general support of environmental impact report activities such as the review and preparation of District environmental impact report guidelines, procedures and community informational meetings relative to the District's environmental impact report process. Also provided for is an evaluation and comparison of the impacts of selected major construction projects that occur after completion of the project with the impact that had been predicted in the environmental impact report. An assessment will also be conducted to determine whether mitigation measures included in the project meet their intended purpose.

Fish Assistance $ 3,275

This project provides for the relocation of fish in various waters in the District when it is necessary for District operation. This is a cooperative program with the Department of Fish and Game and County Parks and Recreation Department.

Fixed Assets

Fixed Assets purchased from the District Cost Center are used to support Districtwide activities as a whole. They are the types that cannot be identified with or purchased from the funds of any other cost center. A comparative summary of expenditures can be found on Exhibit 2, page 77.

Land $110,782

These funds are designated for the purchase of land adjacent to the District Headquarters in connection with the widening of Almaden Expressway. This item

is being rebudgeted from the preceding year. Also included in the amount are funds for the acquisition of land associated with construction of streamflow measurement stations and base stations for precipitation gages.

Structures and Improvements $ 78,774

This account reflects a slight increase in the preceding year. The budgeted amount is required for construction of hydrologic data stations, design and construction of two streamflow stations and preparation for the construction of 20 base station precipitation gages.

Office Equipment $ 7,918

This account shows a $17,371 decrease compared to the preceding year. Budgeted funds provide for the acquisition and replacement of typewriters, calculators, and a digital readout planimeter.

Automotive Equipment $ 33,320

This account has been increased by $18,090 over the preceding year. The budgeted funds are necessary to provide a 1-ton crew truck in support of minor maintenance projects, one 2500-gallon diesel-powered water truck to support landscaping crews and to provide for dust control on maintenance projects, two compact sedans to provide adequate support in the motor pool, and a 1-ton valve-repair truck to carry necessary maintenance equipment and provide support of the various control valves used by the District.

Communication Equipment $ 7,500

This account shows an $8,069 decrease compared to the preceding year. Budgeted funds are necessary to replace one portable mobile radio and four remote control units which have been recommended for replacement by Santa Clara County Communications, provide one new portable radio to provide flexibility within the District Vehicle Pool, provide three radio locking frames to provide radios as required by job assignments, and to provide four radio page units to be used by key personnel in the water treatment plants.

Hydrologic Equipment $ 4,700

This account shows a $106,292 decrease compared to the preceding year. This decrease can be identified to the transfer of construction of streamflow measurement stations

and precipitation gage base stations to the Structures and Improvements Account. This account currently provides for the acquisition of two precipitation gages, an electric well sounding device, and equipment to provide for automatic dial-up of rain gage stations.

Water Measurement Equipment $ 5,000

This account has been decreased by $1,250 compared to the preceding year. Budgeted funds are to provide propeller meters for new installations or replacement of worn or damaged existing meters.

Other Equipment $ 18,245

The budgeted amount represents a $17,099 decrease compared to the preceding year. New items of equipment being budgeted are: two 8mm movie projectors for public relations work, storage shelving for the administrative annex and for the reproduction room, one oxygen-acetylene cutting outfit, a heavy-duty automotive service jack, a gasoline-powered centrifugal pump, one 500amp diesel-driven welding machine, a ventilation blower for the welding shop, a portable post driver, a 300-watt portable generator, a hydraulic power unit for testing the performance of hydraulic systems on maintenance equipment and one logic pulser required to troubleshoot the various electronic circuits used by the District.

Office Furniture $ 16,815

The budgeted amount represents a $9,733 increase compared to the preceding year. The account provides for various desks, chairs, tables, and file cabinets for requested new positions, various 5-drawer filing cabinets, special files for computer printouts and maps, and the replacement of several secretarial chairs.

Computer Equipment $ 65,330

The budgeted amount provides for the annual deferred payment of the Burroughs B2700 System. This equipment is being purchased under an approved lease-purchase agreement. Also included is the acquisition of two Lear Siegler ADM2 CRT terminals, additional core storage and disk storage for the Burroughs System, and a dual transport Datum cassette unit to collect treatment plant and distribution system data.

EXHIBIT 1

SUMMARY OF GOVERNMENTAL PROGRAM PROJECTS

Project	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Basic Engineering	$ 20,910	43,768	61,516	62,090	62,090
Basic Data Collection	263,554	345,307	323,070	265,823	265,823
Geographic Names	753	130			
Flood Insurance Liaison Study	7,027	10,404	8,338	16,302	16,302
Implementation Well Standards Study	2,026	5,012			
MIDS Subsystem Study	10,299		35,000	20,000	20,000
Flood Warning System			15,544		
Insurance Project		3,041	15,000	22,346	22,346
Administrative Projects	258,713	306,823	323,533	328,820	328,820
Basic Hydrology	21,989	53,186	45,168	17,971	17,971
Community Employment Project	3,173	552	4,888	210,439	210,439
Directors Fees and Expenses	40,364	40,805	53,500	53,500	53,500
Legal Projects				40,354	40,354
Public Education	59,054	60,108	89,771	96,031	96,031
Environmental Analysis	24,740	24,689	41,352	22,542	22,542
Fish Assistance	73	4,481	8,297	3,275	3,275
Program Total	$ 712,675	898,306	1,024,977	1,159,493	1,159,493

EXHIBIT 2

SUMMARY OF FIXED ASSET ACCOUNTS

Account		Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
1200	Land	$		80,000	110,782	110,782
1300	Structures & Improvements	68,719	76,187	77,500	78,774	78,774
1401	Office Equipment	9,524	16,921	25,289	7,918	7,918
1402	Automotive Equipment	30,038	6,617	15,230	33,320	33,320
1403	Communications Equipment	3,503		15,569	7,500	7,500
1404	Hydrologic Equipment	21,918	34,503	110,992	4,700	4,700
1405	Water Measuring Equipment	6,453	3,958	6,250	5,000	5,000
1406	Other Equipment	52,332	83,416	35,344	18,245	18,245
1407	Office Furniture	15,675	16,341	7,082	16,815	16,815
1408	Computer Equipment		16,652	48,900	65,330	65,330
Total		$ 208,162	254,595	422,156	348,384	348,384

DISTRIBUTED EXPENSE

Distributed Expense is overhead cost. Overhead consists of the District Cost Center's Administration Program and its Services and Supplies accounts. These expenditures are reimbursed by applying the Distributed Expense as an overhead rate to all District labor charged to work performed in other cost centers. Since all costs are reimbursed, expenditures for Distributed Expense do not reduce the revenues of the District Cost Center. The following is an historical review of Distributed Expense.

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Administration Program	$2,077,575	2,507,725	2,962,265	3,036,463	3,036,463
Services and Supplies	582,294	573,512	713,212	798,606	798,606
Total Expenditures	$2,659,869	3,081,237	3,675,477	3,835,069	3,835,069

Administration Program

Administration Program expenditures are those which support Districtwide activities and therefore cannot be charged directly to another cost center or fund. These projects reflect a $74,198 or 2.5 percent increase compared to the preceding year.

Sick Leave, Vacation, Etc. $869,181

This project includes all time chargeable to Sick Leave, Vacation, Holidays, Jury Duty, Military Leave, and approved Leave with Pay. This project reflects a $101,942 increase compared to the preceding year.

Ordinance Administration $ 32,981

This project provides for labor necessary to prepare manuals, standards and design aids to assist in the enforcement and application of Ordinance 74-1. The budgeted amount also provides for investigation and resolution of violations to Ordinance 74-1 and to prepare materials to generate public awareness of potential violations.

General Services $111,149

This project provides for District labor spent in general activities such as purchasing, reproduction and printing services, claims administration, equipment and materials inventory, building maintenance administration and messenger service.

Finance Services $156,791

This project provides accounting services for all areas of the District, including flood control zone accounting, water utility accounting, general governmental accounting, revenue accounting, payroll, investments and equipment working capital fund accounting.

Secretarial Services $393,477

This project provides for the secretarial and clerical services for the entire District. This includes personnel records, reception services, library services, filing, mail distribution, maintenance of minutes for committees and the Board of Directors, dictation, typing, and general secretarial services.

Management Project $261,461

This project provides for time spent by management personnel of the District.

Data Processing, Engineering and Scientific $ 7,996

This project provides for applications, systems design, programming, debugging, production and maintenance engineering and scientific data processing applications, which are of general benefit to the entire District.

Data Processing, Business Administrative and Commercial $ 62,802

This project provides for the systems design, programming, debugging, operations and maintenance of business, administrative, and commercial data processing applications that are of general benefit to the entire District.

Computer Systems Analysis $ 12,700

This project provides for analysis and evaluation of proposed computer configurations, terminals, new programs and new operation techniques.

Data Processing Operations $ 75,804

This project provides for data processing operations required by and associated with the in-house computer facility. This includes the computer operator, keypunch operations, and supervisory and technical support for the entire system.

Administration Cost Center $ 99,826

This project provides for the routine maintenance, custodial and landscaping work required to maintain the Administration and Maintenance Headquarters, the Almaden Yard, and Class IV equipment.

Employee Benefits $952,295

This project provides for funding the employee health and accident insurance, long-term disability, dental insurance, basic life insurance, and retirement programs through the Public Employees Retirement System.

Services and Supplies

Services and Supplies purchased from the District Cost Center are used to support Districtwide activities as a whole. They are of the type that cannot be identified with or purchased directly from funds of any other cost center. The costs of Services and Supplies are, however, recovered as applied overhead. Services and Supplies costs have increased approximately 12 percent compared to the preceding year.

Communications $ 57,458

The Communications account reflects a $5,973 increase compared to the preceding year. This account provides for all telephone service at the Almaden Complex. The increase in budgeted amount is due to rate increases.

Insurance - Workers' Compensation $133,562

This account provides premiums for Workers' Compensation Insurance. The experience rating modification is set at 68 percent of premium computed at basic or scheduled levels. Standard classification rates for 1977-78 have been increased by 19 to 50 percent.

Insurance - Other $ 9,336

This account includes property insurance for Administration Headquarters and Maintenance Buildings and contents, miscellaneous tools, non-owned aircraft insurance and various forms of crime coverage (employee bonds, etc.).

Maintenance Services $112,424

This account provides for drafting and survey equipment maintenance, maintenance of motion picture projectors and cameras, janitorial services, fire extinguisher service, pest control service, elevator maintenance, furniture refurbishing, office and copying machine maintenance, air conditioning and heating maintenance, alterations to the Administration Building, maintenance of the Burroughs computer equipment, maintenance of the building and grounds areas, replacement of redwood facility signs, chip sealing of the Almaden Yard area, and lighting and maintenance modifications to the Maintenance Headquarters Building.

Materials and Supplies $ 33,420

This account has been reduced 17 percent compared to the previous year. The account includes funding for floor sealer for the Administrative Annex, supplies for keypunch equipment, lumber, paint, steel pipe, welding supplies, masonry supplies, and maintenance requirements for maintaining the Administration and Maintenance Headquarters, the Almaden Yard, and Class IV equipment.

Memberships $ 14,558

This account includes funding to provide for various professional and technical memberships in Associations which relate to the functions of the District. This account shows an increase of 35 percent compared to the preceding year. This increase is primarily due to an increase in assessment for membership in the Association of California Water Agencies and an increase in membership to the California Water Resources Association.

Office Expense - General Supplies $ 49,885

This account includes drafting supplies, notebooks, binders, pencils, graph paper, tab cards, labels, library supplies, computer paper, printer ribbons, and other supplies of a general nature. The account shows an increase of 9 percent compared to the preceding year.

Office Expense - Reproduction Supplies $ 25,090

This account includes paper and operating supplies for the various copy machines, bindery supplies, and supplies used for the blueprint machines.

Office Expense - Printing and Binding $ 18,450

This account shows only minor increases from the preceding year. The budgeted amount provides for printing of personnel announcements and brochures; budget divider pages; general business forms, such as letterhead, envelopes, business cards, purchase orders, and requisitions necessary for operation of the District, payroll and general fund checks; W-2 forms; map reproduction; and general printing and binding that cannot be performed by District facilities.

Office Expense - Postage $ 20,550

This account provides funding for metered mail and miscellaneous postage.

Contract Services - Auditing $ 18,500

This account provides for the annual audit fee of District financial transactions. This is the first year of a new three-year contract. Also included is a small contingency amount to cover special reports and studies.

Contract Services - Data Processing $ 37,193

This account provides for computer services which cannot be supplied by the current in-house facilities. Included are programming services and analysis, keypunch services to provide for vacations and unusual backlogs, data communications handler maintenance for software systems, and a data base management system. Also included is funding for support of computer plotting for preliminary cross sections and final design templates for program development.

Contract Services - Legal $ 9,000

This amount is to provide for special legal assistance in identifying and resolving violations of Ordinance 74-1.

Contract Services - Other $ 21,510

Budgeted amounts provide for pre-employment physicals and placement testing, microfilming of ordinance information, updating of the evaluation of the District's building and contents, consultant services to review the actuarial assumptions used by the Public Employees Retirement System to establish District contribution rates, security services and fire alarm services for the Administration Building, after hours availability of District cafeteria services, messenger service, microfilm services and messenger service for microfilm delivery, and consultant services to assist in report preparation and writing skill training. Also included is a renewal for the Real Estate Atlas for Santa Clara County, including Santa Clara County Aerial Maps.

Publication Fees and Legal Notices $ 9,530

This account is to provide for recruitment advertising, miscellaneous legal advertising and notices, notices of District surplus equipment sales, and special publications and legal notices associated with generating public awareness regarding violation of District Ordinance 74-1.

Lease Expense - Equipment $ 83,185

Requested funding provides for the lease of a portion of the Burroughs computer system, duplicating machines, keypunch and verifying machines, and the rental of equipment to be used for maintenance of the Administration and Maintenance Buildings and Grounds.

Small Tools and Instruments $ 28,775

This account is to provide for general small tools and instruments required by the District. In addition, funds have been budgeted to provide for safety equipment necessary to meet the requirements of the Occupational Safety and Health Act.

Special Expense - Education $ 20,430

This account provides for tuition fees, textbooks and supplies for educational courses, seminars, conferences, and training programs.

Special Expense - Other $ 22,690

This account provides for the acquisition of publications, library documents, and employee awards as well as for procurement of film and photographic processing.

Transportation and Travel - Public/Lodging/Meals $ 28,060

This account provides funding for authorized travel by the staff and on District business. The budgeted amount also includes lodging and meal expenses.

Utilities $ 45,000

This funding is to provide utilities at the Administration and Maintenance Headquarters Buildings. Budgeted amounts include funding for water, gas, electricity, disposal and dump charges, standby charges, and sewer service and use charges.

EXHIBIT 3

SUMMARY OF ADMINISTRATION PROGRAM PROJECTS

Project	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Sick Leave, Vacation, etc.	$ 562,706	702,071	767,239	869,181	869,181
Ordinance Administration	13,965	21,768	22,776	32,981	32,981
General Services	89,330	109,874	121,866	111,149	111,149
Finance Services	127,063	133,219	161,717	156,791	156,791
Secretarial Services	252,650	297,375	402,285	393,477	393,477
Management Project	288,657	318,198	353,508	261,461	261,461
DP - Engineering & Scientific	4,856	3,097	10,240	7,996	7,996
DP - Processing-Business Admin.	68,898	77,428	80,606	62,802	62,802
Computer Systems Analysis	17,410	14,915	17,606	12,700	12,700
Data Processing Operations	26,424	32,046	57,723	75,804	75,804
Administration Center Maintenance	71,034	85,726	91,940	99,826	99,826
Employee Benefits	554,582	712,008	874,759	952,295	952,295
Total	$2,077,575	2,507,725	2,962,265	3,036,463	3,036,463

EXHIBIT 4

SUMMARY OF SERVICES AND SUPPLIES ACCOUNTS

	Account	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
6100	Communications	$ 47,512	50,665	51,485	57,458	57,458
6510	Insurance-Workers' Comp.	37,659	58,017	106,230	133,562	133,562
6520	Insurance-Other	4,765	4,085	4,500	9,336	9,336
7200	Maintenance-Services	53,759	69,180	98,172	112,424	112,424
7400	Materials and Supplies	50,526	37,309	40,385	33,420	33,420
7700	Memberships	5,628	8,449	10,813	14,558	14,558
7810	Office Expense-General Supplies	37,944	45,017	45,700	49,885	49,885
7820	Office Exp.-Repro. Supplies	16,084	20,187	22,988	25,090	25,090
7830	Office Exp.-Printing & Binding	18,938	13,543	17,408	18,450	18,450
7840	Office Expense-Postage	13,306	15,132	20,310	20,550	20,550
7900	Other Expense		733			
8020	Contract Services-Auditing	13,300	14,000	16,700	18,500	18,500
8030	Contract Services-DP	46,948	18,558	35,680	37,193	37,193
8050	Contract Services-Legal			2,500	9,000	9,000
8060	Contract Services-Other	21,381	17,524	19,690	21,510	21,510
8100	Public Fees & Legal Notices	2,442	1,413	5,100	9,530	9,530
8420	Lease Expense-Equipment	108,464	64,700	78,158	83,185	83,185
8600	Small Tools & Instruments	13,994	20,584	21,104	22,525	22,525
8610	Small Tools & Instr.-Survey	5,508	2,124	7,450	6,250	6,250
8710	Special Expense-Education	13,546	14,689	18,000	20,430	20,430
8730	Special Expense-Other	14,907	26,804	24,839	22,690	22,690
9110	Trans. & Trav.-Pub./Lodg./Meals	22,649	28,169	26,000	28,060	28,060
9300	Utilities	33,034	42,630	40,000	45,000	45,000
Total		$ 582,294	573,512	713,212	798,606	798,606

SERVICE FUND

EQUIPMENT WORKING CAPITAL FUND

REVENUE SUMMARY

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Cash Beginning of Year	$ 188,756	326,095	654,979	884,362	884,362
Revenue Sources					
Equipment Rental	439,565	624,991	632,466	590,167	590,167
Interest	20,883	31,432	36,000	55,464	55,464
Sale of Equipment	26,312	24,717	20,000	24,600	24,600
Total Revenue	486,760	681,140	688,466	670,231	670,231
Total Cash Available	$ 675,516	1,007,235	1,343,445	1,554,593	1,554,593

OUTLAY SUMMERY

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Operating Expense	$ 276,704	297,093	389,159	331,722	331,722
Equipment Purchase	62,035	28,128	93,710	81,490	81,490
Total Expenditures	338,739	325,221	482,869	413,212	413,212
Inter-Fund Adjustment	10,682	10,894	13,347	11,481	11,481
Reserves	326,095	671,120	847,229	1,129,900	1,129,900
Total	$ 675,516	1,007,235	1,343,445	1,554,593	1,554,593

BACKGROUND INFORMATION

The Equipment Working Capital Fund was established for the purpose of maintaining, operating, and replacing three types of mobile equipment owned by the District. Type I Equipment consists of sedans and pickup trucks, Type II Equipment consists of heavy-duty trucks, and Type III Equipment consists of heavy-operating equipment such as bulldozers, draglines, and other similar types of equipment used for maintenance of District projects.

The Equipment Working Capital Fund is self-supporting with all replacement and maintenance cost being charged by preestablished rates to all projects in the various cost centers. The expenses of the Equipment Working Capital Fund are recovered by a mileage rate charged on Type I Equipment and hourly rate charged for Types II and III Equipment.

Equipment Purchases

The Equipment Purchases Section is used to reflect the cost of all equipment items. The budgeted amount of $81,490 is necessary to provide for the replacement of the various classes of equipment shown below. The necessary funding is provided by current revenue, supplemented by reserve amounts accumulated for the replacement of equipment items. The items listed for replacement have been selected on the basis of accumulated mileage, obsolescence and plan needs of the District.

Class I Equipment $ 81,490

Class I Equipment items scheduled for replacement consist of: six compact sedans, two light utility trucks, two 1/2-ton standard pickup trucks, two survey trucks which will be replaced with vans, one 3/4-ton standard pickup truck that will be upgraded to a 1-ton valve-repair truck, one 4-wheel-drive jeepster, and one 3/4-ton standard pickup truck that will be upgraded to a 1-ton crew truck. The above figure represents replacement amounts which were generated by the establised equipment usage rates.

Operating Expense

The Operating Expense Section of the Equipment Working Capital Fund provides for insurance, materials and supplies, and District labor to service and maintain all equipment items within the fund. Budgeted cost of $331,722 reflects a $57,437 or a 15 percent decrease compared to the preceding year.

SUMMARY OF PURCHASES AND OPERATING EXPENSE

	Actual 1974-75	Actual 1975-76	Approved 1976-77	Requested 1977-78	Final 1977-78
Equipment Purchases					
Class I	$ 62,035	28,128	83,710	81,490	81,490
Class II					
Class III			10,000		
Operating Expense	276,704	297,093	389,159	331,722	331,722
Total Purchases and Expense	$ 338,739	325,221	482,869	413,212	413,212